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SAN FRANCISCO  
BOARD OF SUPERVISORS  
  
GOVERNMENT EFFICIENCY  
AND LABOR COMMITTEE  
  
MINUTES

This volume includes Calendars and Budget Analyst Memoranda.  
Minutes of the meetings in this volume are not available.



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# CALENDAR

DOCUMENTS DEPT.

JAN 3 1994

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## GOVERNMENT EFFICIENCY & LABOR COMMITTEE // BOARD OF SUPERVISORS CITY AND COUNTY OF SAN FRANCISCO

### REGULAR MEETING

TUESDAY, JANUARY 4, 1994

2:00 PM

ROOM 228, City Hall

MEMBERS: Supervisors Terence Hallinan, Barbara Kaufman, Carole Migden

CLERK: Joni Blanchard

\* \* \* \* \*

### Disability Access

The Board of Supervisors Committee Meeting Room (228) and the Legislative Chamber of the Board are on the second floor of City Hall.



Both the Committee Room and the Chamber are wheelchair accessible. The closest accessible BART Station is Civic Center, 2 1/2 blocks from City Hall. Accessible MUNI line serving this location is the #42 Downtown Loop as well as the METRO stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services, call 923-6142.



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The following services are available on request 72 hours prior to the meeting or hearing:

For American sign language interpreters or the use of a reader during a meeting, contact Violeta Mosuela at (415) 554-7704.

For a large print copy of an agenda, contact Moe Vazquez at (415) 554-4909.

In order to assist the City's efforts to accomodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accomodate these individuals.

## CONSENT CALENDAR

1. All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Government Efficiency & Labor Committee, and will be acted upon by a single roll call vote of the Committee. There will be no separate discussion of these items unless a member of the Committee or a member of the public so requests, in which event the matter shall be removed from the Consent Calendar and consider as a separate item:
  - (a) File 194-93-2. [Ford Foundation Grant] Resolution authorizing the City Attorney to apply for, accept and expend \$20,000 from the Ford Foundation for support for the Code Enforcement Task Force. (City Attorney)
  - (b) File 68-92-9.1. [HUD, Low-Moderate Income, Self-employed] Resolution authorizing the Mayor, through the Mayor's Office of Community Development, to accept and expend a technical assistance grant from the U.S. Department of Housing and Urban Development for a total amount not to exceed Two Hundred Thousand Dollars (\$200,000) for a program to assist low and moderate income residents become self-employed. (Mayor's Office of Community Development)
  - (c) File 140-93-4. [Grant Funds, Fire Department, American Red Cross] Resolution authorizing the Fire Department to accept and expend \$6,240 from the American Red Cross Northern California Disaster Preparedness Network for the technical review and typesetting of a Cantonese translation of the manual and the start up costs of a modified NERT program in Cantonese. (Supervisor Alioto)
  - (d) File 140-93-5. [Grant, Fire Department, American Red Cross] Resolution authorizing the Fire Department to accept and expend \$9,335 from the American Red Cross Northern California Disaster Preparedness Network for the translation of the existing NERT manual into Spanish and the start up costs of a modified NERT program in Spanish. (Supervisor Alioto)
  - (e) File 152-93-5.1. [Automated Criminal Arrest & Case Disposition] Resolution authorizing the Sheriff to accept and expend grant funds, in an amount not to exceed \$20,000 from the California Department of Justice, to provide automated criminal arrest and case disposition reporting from the City and County of San Francisco to the Department of Justice, pursuant to Sections 13150 Et Sequitur of the California Penal Code; waiving indirect costs. (Sheriff)

ACTION:

## REGULAR CALENDAR

2. File 12-93-15. Hearing to consider requiring the City to comply with Senate Bill 1423 and report the names of new employees to the New Employee Registry in California. (Supervisor Maher)  
(Continued from 12/1/93)

ACTION:

3. File 97-93-64. [New Employee Registry] Ordinance amending Administrative Code, Chapter 18, by adding Section 18.14 requiring the Controller to file with the Employment Development Department information on the hiring of any person by the City and County of San Francisco. (Supervisor Maher) (Related to File 12-93-15)

ACTION:

4. File 97-93-63. [Hold Harmless Agreements] Ordinance amending Administrative Code by adding Section 1.43 thereto, to authorize the Juvenile Probation Department to enter into hold harmless agreements with community service agencies supervising youth performing community service under an order of the Juvenile Court or under the supervision of the Juvenile Probation Department. (Juvenile Probation Department)

ACTION:

5. File 97-93-66. [Communications Regulatory Commission] Ordinance amending Administrative Code by adding Chapter 22C to create a Communications Regulatory Commission and repealing Sections 11.40, 11.41, 11.42, 11.43, 11.44 concerning the Telecommunications Policy Committee. (Supervisor Bierman)

FISCAL IMPACT

ACTION:

6. File 61-93-7. [Award Extension for SFWD Contract WD-2132RI] Resolution granting extension of time for award of San Francisco Water Department Contract No. WD-213RI, SFWD-Millbrae Headquarters - Phase IIA, North Shops-Fuel Island. (Public Utilities Commission)

ACTION:

7. File 89-93-10. [SDI Enrollment, Classification 0595] Resolution authorizing enrollment of Classification 0595 Fiscal Systems and Services Coordinator in the State Disability Insurance Program. (Employee Relations Division)

ACTION:

8. File 93-93-16. [Memorandum of Understanding] Resolution ratifying Memorandum of Understanding with Bricklayers Local Union No. 3 and Hod Carriers Local Union No. 36. (Employee Relations Division).

ACTION:

9. File 172-93-4.1. [Extend Family Mosaic Medi-Cal Capitation Contract] Resolution authorizing the Department of Public Health to extend a contract with the State Department of Health Services to continue a Pilot Medicaid/Mental Health Delivery System for five months (February 1, 1994 through June 30, 1994), to coincide with the Fiscal Year. (Department of Public Health)

ACTION:

10. File 226-93-3. [Library Fuhrman Trust] Hearing to consider the Library Commission's petition to change the terms of the Fuhrman Trust. (Supervisor Hallinan)

ACTION:

CLOSED SESSION

11. File 45-93-90. [Settlement of Litigation/C&T Management Services] Ordinance authorizing settlement of C & T Management Services, Inc., et al. against the City and County of San Francisco, et al., by payment of \$80,000. (Superior Court No. 936-661) (City Attorney)

ACTION:

12. File 45-93-91. [Settlement of litigation of Gladys Gardner] Ordinance authorizing settlement of litigation of Gladys Gardner against the City and County of San Francisco by payment of \$59,000. (Superior Court No. 932-546) (City Attorney)

ACTION:

13. File 48-93-28. [Settlement of Unlitigated Claim, Michael Aguirre] Resolution approving the settlement of the unlitigated claim of Michael Aguirre by payment of \$13,000. (City Attorney)

ACTION:

14. File 48-93-29. [Settlement of Unlitigated Claim, Lanier Worldwide] Resolution approving the settlement of the unlitigated claim of Lanier Worldwide by payment of \$9,704.95. (City Attorney)

ACTION:

GOVERNMENT EFFICIENCY & LABOR COMMITTEE

Board of Supervisors

Room 235, City Hall

San Francisco, CA. 94102

Public Hearing Notice

Public Library, Documents Dept.  
Attn: Jane Hudson

CITY AND COUNTY



OF SAN FRANCISCO

## BOARD OF SUPERVISORS

BUDGET ANALYST

1390 MARKET STREET, SUITE 1025

SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

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JAN 4 1994

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December 31, 1993<sup>4</sup>

**TO:** Government Efficiency and Labor Committee  
**FROM:** Budget Analyst *Recommendations*  
**SUBJECT:** January 4, 1993<sup>4</sup> Government Efficiency and Labor Committee Meeting

Item 1a - File 194-93-2

**Department:** City Attorney

**Item:** Resolution authorizing the City Attorney to apply for, accept, and expend \$20,000 from the Ford Foundation for support for the Code Enforcement Task Force.

**Grant Amount:** \$20,000

**Grant Period:** October 1, 1993 through September 30, 1994 (see Comment #1)

**Source of Funds:** Ford Foundation

**Project:** Code Enforcement Task Force

**Description:** The Code Enforcement Task Force is designed to help maintain residential property in neighborhoods hard-hit by crack houses and other drug activity. The Task Force includes inspectors from the Housing Authority, the Fire, Public Health, Planning and Police Departments and the City Attorney's Office. Task Force members meet monthly to review complaints and to plan joint inspections of properties where multiple code violations exist.



The proposed grant funding would be used by the City Attorney's Office to advance the goals of the Code Enforcement Task Force by (a) producing an educational brochure (as an outreach tool to neighborhood residents), (b) obtaining temporary part-time bi-lingual translation services (to facilitate contact and communication with minority neighborhoods that underutilize the Task Force), and (c) installing a computer software management data system of code enforcement cases (to improve the efficient management of data pertaining to the properties and cases tracked by the Task Force).

**Budget:** The budget as provided by the City Attorney's Office, is as follows:

Brochure Printing Costs	\$3,000
Bi-lingual Translator	8,000
Computer Software Program, Terminal/modum and data processor	<u>9,000</u>
Total	\$20,000

**Required Match:** None

**Indirect Costs:** The Ford Foundation does not permit the inclusion of indirect costs in grant awards.

**Comments:** 1. According to Ms. Mary Jane Sylvia of the City Attorney's Office, the City Attorney's Office has already applied for the subject grant funds. Therefore, the proposed resolution should be amended to ratify action previously taken. Also, because the Ford Foundation does not allow for funding of indirect costs, the proposed resolution should also be amended to waive indirect costs.

2. The Disability Access Checklist is on file with the Clerk of the Board.

3. The Summary of Grant Request Form, as prepared by the City Attorney's Office is attached.

4. According to Ms. Sylvia, a consultant has not yet been selected to provide bi-lingual translation services. Therefore the proposed resolution should be amended to place \$8,000 for Bi-lingual Translator consultant services on reserve pending the selection of the consultant, the consultant cost details and the MBE/WBE status of the consultant.



- Recommendation:**
1. Amend the proposed resolution to ratify action previously taken and to waive indirect costs.
  2. Amend the proposed resolution to place \$8,000 on reserve for Bi-lingual Translator consultant services pending the selection of the consultant, the consultant cost details and the MBE/WBE status of the consultant.
  3. Approve the proposed resolution as amended.

File Number \_\_\_\_\_

Attachment  
Page 1 of 2Grant Application Information Form

A document required to accompany a proposed resolution  
Authorizing a Department to Apply for a Grant

To: The Board of Supervisors  
Attn: Clerk of the Board

The following describes the grant referred to in the accompanying resolution:

Department: OFFICE OF CITY ATTORNEY

Contact Person: MARY JANE SYLVIA Telephone: 554-4251

Project Title: CODE ENFORCEMENT TASK FORCE

Grant Source: FORD FOUNDATION

**Proposed (New / Continuation) Grant Project Summary:**

NEW -- A one-time grant of \$20,000 for support for the Code Enforcement Task Force of the City Attorney's Office.

The Ford Foundation approved the following budget and requires the funding to be spent accordingly:

Brochure -- Develop a brochure for community outreach and educational purposes.  
\$3,000

Bi-lingual translator -- Contract Spanish translation services. Provide bi-lingual/  
\$8,000 (10 hours translation services to assist with neighborhood outreach  
per week, 6 months) and education. Develop a written Spanish translation of  
neighborhood outreach brochure. Facilitate contact and  
and communication with minority neighborhoods which underut  
Task Force services.

Computer software program, Terminal/modem and data processor -- Purchase a case  
\$9,000 management software program and dedicated terminal to computerize the data  
pertaining to the thousands of properties and cases tracked by the Code  
Enforcement Task Force. Transfer code enforcement data from written record.

Amount of Grant Funding Applied for: \_\_\_\_\_ comp

Maximum Funding Amount Available: \$20,000

Required Matching Funds: -0-

Number of Positions Created and Funded: -0-

Amount to be Spent on Contractual Services: \$8,000

Will Contractual Services be put out to Bid? Under \$50,000 -- not required  
(MEE/WBE contractors will be notified of the contractual opportunity.)

Grant Application Information Form  
Page 2Attachment  
Page 2 of 2Term of Grant: Grant funds are available for one year beginning Oct. 1, 1993.Date Department Notified of Available funds: August , 1993Application Due Date: August 6, 1993

Grant Funding Guidelines and Options (from RFP, grant announcement or appropriations legislation):

The Foundation intends these grants to be used to advance the goals and objectives of the program, and to focus particular attention on areas where a one-time investment could yield lasting results or benefits.

Suggested support:— the production of print or video materials, staff training and development, travel, consultants or contractors, conferences or seminars, equipment and supplies.

Grant funds may not be used to hire permanent staff or pay for the normal operating expenses of the program.

Spending for equipment is limited to no more than fifty percent of the total.

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Department Head Approval



Memo to Government Efficiency and Labor Committee  
January 4, 1994 Government Efficiency and Labor Committee Meeting

Item 1b - File 68-92-9.1

**Department:** Mayor's Office of Community Development (MOCD)

**Item:** Resolution authorizing the Mayor, through the Mayor's Office of Community Development, to accept and expend a technical assistance grant from the U.S. Department of Housing and Urban Development for a total amount not to exceed \$200,000 for a program to assist low and moderate income residents to become self-employed.

**Grant Amount:** Not to exceed \$200,000

**Grant Period:** September 1, 1993 through August 31, 1994 (see Comment #1)

**Source of Funds:** U.S. Department of Housing and Urban Development (HUD)

**Project:** Self Employment and Enterprise Development Program (SEED)

**Description:** The Board of Supervisors previously approved a resolution authorizing the Mayor's Office of Community Development to apply for the subject grant funds (File 68-93-9).

The proposed grant funding consists of a one-time HUD grant to support projects which assist low and moderate income persons to become self-employed through business ownership. The Mayor's Office of Community Development proposes to disburse the subject funds to support five non-profit agencies which currently make up the SEED program.

**Budget:** The proposed budget for the non-profit agencies, as provided by the Mayor's Office of Community Development, is as follows:

**Women's Initiative for Self Employment**

Executive Director (.18 FTE)	\$11,016
Director of Operators (.15 FTE)	7,085
Business Development (.5 FTE)	
Consultant	19,492
Accounting Manager (.15 FTE)	4,559
FICA	<u>2,848</u>
Total-Women's Initiative for Self Employment	\$45,000

**San Francisco Renaissance**

Project Manager (.25 FTE)	\$8,750
Class Manager (.5 FTE)	11,000
Fringe Benefits (20%)	<u>4,000</u>
Subtotal	\$23,750

**Consultants:**

Business Consultant	
60 hrs x \$50/hr.	\$3,000
Accounting Consultant	
185 hrs. x \$50/hr.	9,250
Instructors - PreBusiness Class	
21 wks @ \$150/wk	<u>3,150</u>
Subtotal	\$15,400

**Operating Costs**

Rent, Utilities, Janitor, Telephone	\$4,600
Supplies, Postage	<u>1,250</u>
Subtotal	\$5,850

Total-San Francisco Renaissance	\$45,000
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**Community Outreach & Pre-Enterprises**

Project Director (.22 FTE)	\$7,068
Project Coordinator (.79 FTE)	21,600
Secretary (.09 FTE)	2,357
Accountant (.12 FTE)	5,175
Fringe Benefits (9%)	<u>3,258</u>
Subtotal	\$39,458

**Consultants**

General Outreach Consultant	
(\$14/hr. x 476 hrs.)	\$6,660
Outreach Consultant-Bayview Hunters	
Point Area (\$12/hr. x 100 hrs)	1,200
Outreach Consultant -Western	
Addition Area (\$12/hr. x 100 hrs.)	<u>1,200</u>
Subtotal	\$9,060

Overhead	\$1,482
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Total-Community Outreach & Pre-Enterprises	\$50,000
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**Center for Southeast Asian Refugee Resettlement**

Business Development Specialist (.8 FTE)	\$20,160
Other program personnel	4,500
Fringe Benefits (20%)	<u>4,910</u>
Subtotal	\$29,570

**Operating Costs**

Telephone, Postage, Printing, Rent	<u>\$5,430</u>
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Total-Center for Southeast Asian Refugee Resettlement	\$35,000
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**Association for Children's Rights and Services**

Resource & Referral Director (.08 FTE)	\$2,080
Family Day Care Coordinator (.35 FTE)	7,700
Child Development Specialist (.35 FTE)	7,700
Fiscal Coordinator (.07 FTE)	1,680
Fringe Benefits (22%)	<u>4,273</u>
Subtotal	\$23,433

**Operating Costs**

Postage, Insurance, Rent	<u>\$1,567</u>
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Total-Association for Children's Rights and Services	<u>\$25,000</u>
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Total Grant Budget	\$200,000
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**Required Match:** None (Although the grantor does not require a local match, the MOCD has identified \$20,000 as an in-kind match included in their 1993-1994 budget)

**Indirect Costs:** The Fiscal Year 1993-94 Community Development budget includes \$100,000 for indirect costs.

**Comments:** 1. According to Mr. Bernard Gunther, the MOCD has not expended any of the proposed grant funds.

2. According to Mr. Gunther, the 1993-94 CDBG Budget as approved by the Board of Supervisors, includes funds for the previously mentioned contractors for the SEED program as follows:



Memo to Government Efficiency and Labor Committee  
January 4, 1994 Government Efficiency and Labor Committee Meeting

Women's Initiative for Self Employment	\$70,000
San Francisco Renaissance	138,500
Community Outreach & Pre-Enterprises	85,000
Center for Southeast Asian Refugee Resettlement	100,100
Association for Children's Rights and Services	<u>49,000</u>
Total	\$442,600

The amounts listed in the proposed grant budget would be in addition to this 1993-1994 CDBG allocation, allowing these five non-profit agencies to expand existing services.

3. The Disability Access Checklist is on file with the Clerk of the Board.

4. The Summary of Grant Request Form, as prepared by the Mayor's Office of Community Development, is attached.

**Recommendation:** Approve the proposed resolution.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



Grant Application Information Form

A document required to accompany a proposed resolution  
Authorizing a Department to Apply for a Grant

To: The Board of Supervisors  
Attn: Clerk of the Board

The following describes the grant referred to in the accompanying resolution:

Department: Mayor's Office of Community Development

Contact Person: Jay Smith Telephone: 554-8765

Project Title: Senior Development Specialist

Grant Source: U.S. Department of Housing and Urban Development

**Proposed (New / Continuation) Grant Project Summary:**

In Sept. 1992, the Mayor's Office of Community Development (MOCD) was awarded a one-time Federal Department of Housing & Urban Development (HUD) grant to support projects which assist low-and moderate-income persons to become self employment through business ownership. The amount of the grant is \$200,000. The grant period is one year.

The City, through MOCD, will disburse funds to support five non-profit agencies which currently make-up the Self Employment & Enterprise Development (SEED) program. The five agencies that will be supported with this grant are the Community Outreach & Pre-Enterprise Services, Center for Southeast Asian Refugee Resettlement, San Francisco Renaissance, Women's Initiative for Self Employment and Wu Yee. Funds will be disbursed to these agencies on a cost reimbursement basis.

Through the services provided by these non-profit agencies, and paid for with the HUD technical assistance grant, 25 low-and moderate-income San Franciscans will receive assistance which will result in starting their own businesses.

Amount of Grant Funding Applied for: \$200,000

Maximum Funding Amount Available: \$200,000

Required Matching Funds: \$20,000 (may be in-kind services)

Number of Positions Created and Funded: none

Amount to be Spent on Contractual Services: \$200,000

Will Contractual Services be put out to Bid? none - The City will subcontract with agencies currently funded by MOCD with Federal Community Development Block Grant funds. The HUD technical assistance funds will enable the agencies to expand existing services.

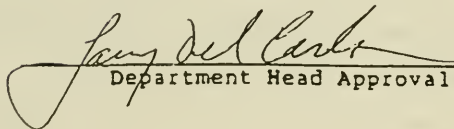
Term of Grant: One year.

Date Department Notified of Available funds: September 17, 1993

Application Due Date: July 8, 1992

Grant Funding Guidelines and Options (from RFP, grant announcement or appropriations legislation):

Services provided through this program must conform to eligibility criteria established for the Federal Community Development Block Grant Program and as specified in 24 CFR 570.402(d).

  
Department Head Approval

Memo to Government Efficiency and Labor Committee  
January 4, 1994 Government Efficiency and Labor Committee Meeting

Item 1c - File 140-93-4

**Department:** Fire Department

**Item:** Resolution authorizing the Fire Department to accept and expend \$6,240 from the American Red Cross Northern California Disaster Preparedness Network for the technical review and typesetting of a Cantonese translation of the Neighborhood Emergency Response Team (NERT) Program manual and the start-up costs of a modified NERT Program in Cantonese.

**Grant Amount:** \$6,240

**Grant Period:** December 1, 1993 through June 30, 1994

**Source of Funds:** American Red Cross Northern California Disaster Preparedness Network

**Project:** Cantonese language translation of NERT Program manual

**Description:** The goal of the NERT Program is to help the citizens of San Francisco to be self sufficient in a major disaster situation by developing multi-functional teams, cross trained in basic emergency skills, to act as an adjunct to City emergency services. Through the NERT Program training, individual citizens become capable of acting as a member of an emergency response team or as a leader capable of directing other untrained volunteer citizens during an emergency. The NERT Program trains citizens in such subjects as earthquake awareness, hazard mitigation, utility (gas, water, electricity) control, disaster fire suppression, search and rescue, hazardous materials control and disaster medicine.

The proposed grant will provide funding to translate the NERT Program manual into Cantonese. This will enable the Fire Department to develop and train Cantonese speaking citizens in NERT skills to increase the preparedness of these Cantonese speaking citizens for emergencies.

Memo to Government Efficiency and Labor Committee  
January 4, 1994 Government Efficiency and Labor Committee Meeting

<b>Budget:</b>	Salary and Fringe Benefits (one bi-lingual Firefighter will provide approximately 80 hours of NERT training to Cantonese speaking citizens)	\$2,200
	Materials and Supplies	600
	Contractual Services	3,440
	Total	\$6,240

**Required Match:** None - (Although the grantor does not require a local match, the Fire Department has identified a \$1,460 in-kind match included in the Fire Department's Fiscal Year 1993-94 budget.)

**Indirect Costs:** The American Red Cross Northern California Disaster Preparedness Network does not permit the inclusion of indirect costs in grant awards.

**Comments:** 1. The consulting firm of Direct Language, Inc. was selected by the Fire Department as the contractor to perform (a) a technical review of the a draft Cantonese translation of the NERT Program manual and (b) typesetting services. The Fire Department contacted several San Francisco firms that specialize in such services and after evaluating their qualifications and price quotes, selected Direct Language, Inc., which provided the lowest price quotation. Direct Language, Inc. is not a MBE or a WBE firm.

2. According to Firefighter Frank Lucier, the NERT Program coordinator, the Fire Department has already applied for the proposed grant. Therefore, the proposed resolution should be amended to ratify action previously taken. Also, the American Red Cross Northern California Disaster Preparedness Network does not permit the inclusion of indirect costs in grant awards. Therefore, the proposed resolution should also be amended to waive indirect costs.

3. Although the grant period began December 1, 1993, Firefighter Lucier advises that no grant funds have been received and no grant funded expenses have been incurred.

4. The Disability Access Checklist is on file with the Clerk of the Board.

5. The Summary of Grant Request Form, as prepared by the Fire Department is attached.

**Recommendation:** Amend the proposed resolution to ratify action previously taken and to waive indirect costs as discussed in Comment 2, above, and approve the proposed resolution as amended.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

File Number \_\_\_\_\_

Grant Application Information Form

A document required to accompany a proposed resolution  
Authorizing a Department to Apply for a Grant

To: The Board of Supervisors  
Attn: Clerk of the Board

The following describes the grant referred to in the accompanying resolution:

Department: San Francisco Fire Department

Contact Person: Frank J. Lucier Telephone: 861-8000 ext. 285

Project Title: Neighborhood emergency Response Team training

Grant Source: American Red Cross Northern California Disaster Preparedness Nwk

Proposed (New / Continuation) Grant Project Summary:

This Grant will allow the Fire Department to develop and train Cantonese speaking citizens of this City in many of the hands-on skills of the Neighborhood Emergency Response Team training that is now taught only in English. It will greatly increase the preparedness level of one of the City's high risk populations

Amount of Grant Funding Applied for: \$6,240.00

Maximum Funding Amount Available: \$6,240.00

Required Matching Funds: None

Number of Positions Created and Funded: Two

Amount to be Spent on Contractual Services: \$3,440.00

Will Contractual Services be put out to Bid? No





Memo to Government Efficiency and Labor Committee  
January 4, 1994 Government Efficiency and Labor Committee Meeting

Item 1d - File 140-93-5

**Department:** Fire Department

**Item:** Resolution authorizing the Fire Department to accept and expend \$9,335 from the American Red Cross Northern California Disaster Preparedness Network for the translation of the existing Neighborhood Emergency Response Team (NERT) manual into Spanish and the start up costs of a modified NERT program in Spanish.

**Grant Amount:** \$9,335

**Grant Period:** December 1, 1993 through June 30, 1994

**Source of Funds** American Red Cross Northern California Disaster Preparedness Network

**Project:** Spanish language translation of NERT Program manual

**Description:** The goal of the NERT Program is to help the citizens of San Francisco to be self sufficient in a major disaster situation by developing multi-functional teams, cross trained in basic emergency skills, to act as an adjunct to City emergency services. Through the NERT Program training, individual citizens become capable of acting as a member of an emergency response team or as a leader capable of directing other untrained volunteer citizens during an emergency. The NERT Program trains citizens in such subjects as earthquake awareness, hazard mitigation, utility (gas, water, electricity) control, disaster fire suppression, search and rescue, hazardous materials control and disaster medicine.

The proposed grant will provide funding to translate the NERT Program manual into Spanish. This will enable the Fire Department to develop and train Spanish speaking citizens in NERT skills to increase the preparedness of these Spanish speaking citizens for emergencies.

<b>Budget:</b>	Salary and Fringe Benefits (one bi-lingual Firefighter will provide approximately 80 hours of NERT training to Spanish speaking citizens)	\$2,200
	Materials and Supplies	600
	Contractual Services	<u>6,535</u>
	Total	\$9,335

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

**Required Match:** None - (Although the grantor does not require a local match, the Fire Department has identified a \$1,460 in-kind match included in the Fire Department's Fiscal Year 1993-94 budget.)

**Indirect Costs:** The American Red Cross Northern California Disaster Preparedness Network does not permit the inclusion of indirect costs in grant awards.

**Comments:** 1. The consulting firm of Direct Language, Inc. was selected by the Fire Department as the contractor to perform (a) a translation of the NERT Program manual into Spanish and (b) typesetting services. The Fire Department contacted several San Francisco firms that specialize in such services and after evaluating their qualifications and price quotes, selected Direct Language, Inc., which provided the lowest price quotation. Direct Language, Inc. is not a MBE or a WBE firm.

2. According to Firefighter Frank Lucier, the NERT Program coordinator, the Fire Department has already applied for the proposed grant. Therefore, the proposed resolution should be amended to ratify action previously taken. Also, the American Red Cross Northern California Disaster Preparedness Network does not permit the inclusion of indirect costs in grant awards. Therefore, the proposed resolution should also be amended to waive indirect costs.

3. Although the grant period began December 1, 1993, Firefighter Lucier advises that no grant funds have been received and no grant funded expenses have been incurred.

4. The Disability Access Checklist is on file with the Clerk of the Board.

5. The Summary of Grant Request Form, as prepared by the Fire Department is attached.

**Recommendation:** Amend the proposed resolution to ratify action previously taken and to waive indirect costs as discussed in Comment 2, above, and approve the proposed resolution as amended.



Grant Application Information Form

A document required to accompany a proposed resolution  
Authorizing a Department to Apply for a Grant

To: The Board of Supervisors  
Attn: Clerk of the Board

The following describes the grant referred to in the accompanying resolution:

Department: San Francisco Fire Department

Contact Person: FF Frank Lucier Telephone: 861-8000 ext 285

Project Title: Neighborhood Emergency Response Team Training

Grant Source: American Red Cross Northern California Disaster Preparedness N

Proposed (New / Continuation) Grant Project Summary:

This Grant will allow the Fire Department to develop and train Spanish speaking citizens of this City in many of the hands-on skill of the Neighborhood Emergency Response Team Training that is now taught only in English. It will greatly increase the preparedness level of one of the City's high risk populations.

Amount of Grant Funding Applied for: \$9,335.00

Maximum Funding Amount Available: \$9,335.00

Required Matching Funds: None

Number of Positions Created and Funded: Two

Amount to be Spent on Contractual Services: \$6,535.00

Will Contractual Services be put out to Bid? No



Memo to Government Efficiency and Labor Committee  
January 4, 1993 Government Efficiency and Labor Committee Meeting

Item 1e - File 152-93-5.1

**Department:** Sheriff (acting as representative for the Court Management System that serves the Sheriff, Police and District Attorney Departments and the Superior and Municipal Courts).

**Item:** Resolution authorizing the Sheriff to accept and expend State grant funds to provide automated criminal arrest and case disposition reporting from the City and County of San Francisco to the State Department of Justice, pursuant to Sections 13150 Et Sequitur of the California Penal Code; waiving indirect costs.

**Grant Amount:** \$19,596

**Grant Period:** July 1, 1993 through June 30, 1994

**Source of Funds:** California State Department of Justice

**Project:** Automated Disposition Reporting

**Description:** The Board of Supervisors previously approved a resolution authorizing the Sheriff to apply for the subject grant funds (File 152-93-5).

Section 13150, et seq., of the California Penal Code requires counties to report criminal arrest and case disposition data to the State. Currently, such data is accumulated manually and transmitted to the State on paper documents. The proposed grant would provide one-time funding for the Controller's Information Systems Division to develop a computer program to accumulate criminal arrest and case disposition data and to generate a magnetic computer tape compatible with the State's computers that can be transmitted to the State.

<b>Grant Budget:</b>	Programmer (360 hours @ \$51.57) *	\$18,565
	Computer Time	<u>1,031</u>
	Total	\$19,596

\*\$51.57 is the standard hourly rate that the Controller's Information Systems Division charges for programming time.

**Required Match:** None

**Indirect Costs:** None (Grantor does not allow indirect costs, therefore, the proposed resolution states that indirect costs are not included.)

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**Comments:** 1. The Letter of Intent to File a Grant Application prepared by the Sheriff is attached.

2. The Disability Access Checklist is in the Board file.

**Recommendation:** Approve the proposed resolution.

Letter of Intent to File a Grant Application.  
(submitted in triplicate)

To: The Board of Supervisors  
Attn: Clerk of the Board

Request for authorization to submit a grant application as described below:

Department: Sheriff

Contact Person: Sgt. Philip H. Fairbrother or Sgt. Philip E.T. Tutt 554-~~288~~ 3440

Project Title: Automated Disposition Reporting

Grant Source: California Department of Justice

Proposed (New / Continuation) Grant Project Summary:

To enable the City and County of San Francisco to provide automated criminal arrest and disposition reporting to the California Department of Justice, pursuant to Sections 13150 et seq. of the California Penal Code.

Said disposition reporting is required by law, and is presently accomplished via hand tabulation and paper records. Grant funds applied for herein would enable the City and County of San Francisco to implement a tape disposition reporting directly from the Court Management System computer to the California Department of Justice. Disposition reporting would thereby be accomplished in a timely and convenient manner, with reduction of labor and savings in time and staff utilization costs to the City.

Amount of Grant Funding Applied for: \$19,596

Maximum Funding Amount Available: \$20,000

Required Matching Funds: none

Number of Positions Created and Funded: none

Amount to be Spent on Contractual Services: \$19,596 to existing contractor

Will Contractual Services be put out to Bid? no - services will be provided by staff currently under contract to support Court Management System.

Term of Grant: one time

Date Department Notified of Available funds: July 14, 1993

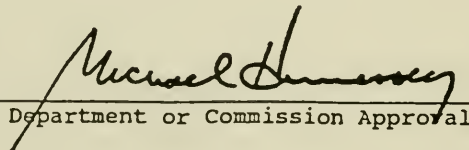
Application Due Date: August 9, 1993 - extension may be allowed for application  
paperwork in progress

Grant Funding Guidelines and Options (from RFP, grant announcement or  
appropriations legislation):

Direct application to California Department of Justice, as authorized by accompanying resolution of Board of Supervisors; grant source is aware that second resolution authorizing acceptance and expenditure of funds will be required; no matching funds required; no appropriation for indirect costs required; funding will support one-time creation of computer program necessary to provide automated disposition reporting to California Department of Justice; software will thereafter reside on IBM mainframe owned and operated by City and County of San Francisco; software will be property of City and County of San Francisco

Assessment of Need for Grant Funding:

This is an ongoing need of long-standing duration. Current 8715 JUS reporting per 13150 et seq. of California Penal Code is cumbersome and time-consuming. City and County of San Francisco is frequently several months behind on reporting. Implementation of this project will enable the City to provide the California Department of Justice with a computer tape of disposition reports, in a format compatible with the DOJ system. The tape will be prepared by the City's computer. Hand tabulation and generation of printouts will no longer be necessary.

  
Department or Commission Approval

Item 2 - File 12-93-15

**Note:** This item was continued at the December 1, 1993 Government Efficiency and Labor Committee Meeting.

1. This item is a hearing to consider requiring the City to voluntarily begin complying with Senate Bill 1423 and report the names of new City employees to the New Employee Registry in California. Although Senate Bill 1423 has been enacted, the City has not yet been officially told to comply with its provisions.

2. Senate Bill 1423 requires employers to file with the Employment Development Department (EDD), within 30 days of hiring, re-hiring or return to work of any employee the following information:

- The first initial, last name and social security number of the employee.
- The employer's name, address and state employer identification number.

3. The objective of Senate Bill 1423 is to locate parents who owe child support and change jobs frequently in order to attach their wages. EDD would compare the new employee information received from employers to information received from the State Department of Social Services (DSS) and the California Parent Locator Service (CPLS) about parents who owe child support. EDD would submit to these agencies the locations of parents who owe child support.

4. According to the author of SB 1423, the single most important tool for collecting child support is the placing of attachments on employee wages. Employees who change jobs frequently avoid paying child support through wage attachments because they remain ahead of current information gathering techniques for locating the present employer of the constantly moving parent that owes child support.

5. This item is to consider requiring the City to voluntarily comply with Senate Bill 1423. Such compliance would require the Civil Service Commission to send information about new employees to EDD within 30 days of hiring the new employees. The Civil Service Commission already submits the required information about new employees to EDD but submits such information quarterly instead of within 30 days of the new hire as is required under Senate Bill 1423. Therefore, compliance with Senate Bill 1423 would not have a significant fiscal impact on the City.



**Comment**

Item 3, File 97-93-64 of this report is a proposed ordinance which would amend the Administrative Code, Chapter 18, by adding a new Section 18.14. Section 18.14 would require the Controller to file with the State Employment Development Department information on the hiring, re-hiring or the return to the City of any person who is paid wages, except persons who are paid less than \$300 per month or those who are under 18 years of age.



Item 3 File 97-93-64

**Department** Controller's Office

**Item:** Ordinance amending the Administrative Code, Chapter 18, by adding Section 18.14 requiring the Controller to file with the Employment Development Department information on the hiring of any person by the City and County of San Francisco

**Description:** The proposed ordinance would amend Section 1, Chapter 18, of the Administrative Code to add a new Section 18.14. Section 18.14 would provide the following:

1. Each City department would be required to report all employees who are newly hired, re-hired or returning to work from a lay-off, furlough, separation, leave of absence or termination, to the Controller at such time and in a manner regulated by the Controller.

2. The Controller would be required to report, within 30 days, the following information to the State Employment Development Department: (1) the hiring of any person by the City to whom the Controller anticipates will be paid earnings, and (2) the re-hiring or return to work of any person to whom the Controller anticipates will be paid wages (except persons paid wages of less than \$300 each month or any person under 18 years of age). The report must contain the first initial and last name and social security number of the employee and the name, address and State employer identification number of the employer (this number would apply to the City). The report may be submitted by filing a copy of the employee's W-4 form, any hiring document, or a form provided by the State Employment Development Department.

**Comments:** 1. Mr. Ed Harrington, Controller, reports that the City, through the Civil Service Commission, already submits information on a quarterly basis to the State Employment Development Department on new employees. Mr. Harrington advises that the Controller currently does no such reporting. Therefore, Mr. Harrington believes that, if the proposed legislation were approved, it would be appropriate for the Civil Service Commission and not the Controller's Office to be the City department responsible for reporting the information noted above to the State Employment Development Department. As of the writing of this report, Mr. Harrington had no estimate of what it would cost for the Controller's Office to provide the information to the State,

which is outlined in the proposed ordinance. Mr. Harrington advised that the fiscal impact would be minimal if the Civil Service Commission was designated as the City department which would be responsible for providing this information.

2. Item 2, File 12-93-15 of this report is a hearing to consider requiring the City to voluntarily begin complying with Senate Bill 1423 and report the names of new City employees to the New Employee Registry in California. Senate Bill 1423 requires employers to file with the State Employment Development Department, within 30 days, information regarding hiring, re-hiring or return to work of any employee. As noted above, the proposed ordinance would make it a requirement for the City, through the Controller's Office, to provide this information to the State Employment Development Department.

3. The purpose of this legislation is to assist the State in locating parents who owe child support in order to attach their wages.

**Recommendation:** Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Item 4 - File 97-93-63

**Department:** Juvenile Probation

**Item:** Ordinance to amend the San Francisco Administrative Code by adding Section 1.43 thereto, to authorize the Juvenile Probation Department to enter into hold harmless agreements with the community service agencies supervising youth performing community service under an order of the Juvenile Court of the Juvenile Probation Department.

**Description:** San Francisco youth perform community service under the supervision of non-profit community service agencies when ordered by the Juvenile Court or as a condition of voluntary probation while under the supervision of the Juvenile Probation Department. Ms. Judy Griffith of the Juvenile Probation Department advises that youth performing community service under order of the Juvenile Court or the Juvenile Probation Department are placed under the supervision of community service agencies who voluntarily provide positive opportunities for the subject youth and that these projects benefit the City and County of San Francisco. However, these community service agencies are concerned with the possibility of lawsuits resulting from actions of the subject youth while under their supervision, according to Ms. Griffin.

The Juvenile Probation Department reports that the community service agencies supervising the subject youth want the City and County of San Francisco to indemnify them from any liability for any injury to youth working under their supervision. The proposed ordinance would amend Section 1.43 of the Administrative Code to authorize the Juvenile Probation Department to enter into hold harmless agreements with the community service agencies supervising youth performing community service under an order of the Juvenile Court or under the supervision of the Juvenile Probation Department.

**Comments:** 1. At the San Francisco Juvenile Probation Commission meeting of November 10, 1993, Ms. Griffin stated that she knew of only one injury in the last fifteen years to a youth performing community service.

2. Mr. Burke Delventhal of the City Attorney's Office advises that he is unable to estimate the potential risk of approving the proposed ordinance.

**Recommendation:** Approval of the proposed ordinance is a policy matter for the Board of Supervisors.



Item 5 - File 97-93-66

1. This item is an ordinance to amend the City's Administrative Code by adding Chapter 22C to create a Communications Regulatory Commission and repealing Sections 11.40, 11.41, 11.42, 11.43, and 11.44 concerning the Telecommunications Policy Committee.

2. In the Fall of 1992, to foster competition in the cable television industry and to ensure that cable rates are reasonable, Congress passed the Cable Television Consumer Protection and Competition Act of 1992 (Cable Act). The purpose of the Cable Act is to authorize the Federal Communications Commission (FCC) and local authorities to regulate basic cable television services, thereby establishing appropriate price benchmarks and reducing entry barriers for new cable television companies. In the Spring of 1993, the FCC released regulations detailing the implementation of the Cable Act with regard to rates and related regulatory issues. The FCC has followed these regulations with several revisions and clarifications and has stated that there will be continuing proceedings on this subject.

3. In accordance with requirements of the Cable Act, in July of 1993, the City and County of San Francisco, submitted a certification application to the FCC, and is now eligible to regulate the lowest level of cable television service, basic cable. Higher levels will be regulated by the FCC. In San Francisco, cable television services are provided by Viacom Cablevision, Inc. (Viacom). Viacom calls its basic cable television services Limited Cable, which includes commercial network broadcasters, access channels, C-SPAN, and other channels. Viacom currently charges \$13.28 per month for Limited Cable services. The City must regulate Viacom Cable in accordance with certain complex pre-set formulas determined by the FCC, which has established these formulas based upon the operating cost per channel. Installation rates, equipment charges, and additional outlet fees may also be regulated by the City according to preset formulas based on Viacom's costs for providing these services.

4. In accordance with the Cable Act, the proposed ordinance would establish a local Communications Regulatory Commission (the Commission) to regulate cable television basic service rates, equipment and customer services. As previously stated, the FCC is responsible for regulating all other, higher level rates for cable television service. The proposed Commission would consist of nine members, one member would be appointed by the Mayor and eight members would be appointed by the Board of Supervisors. Eight members of the proposed Commission would consist of: one licensed broadcast engineer with expertise in telecommunication; one Certified Public Accountant; one attorney; one consumer representative; one educator; one labor representative; and two members representing the public interest. The proposed ordinance does not include any requirement for specific qualifications of the ninth Commission member. Organizationally, the Commission would be under the Board of Supervisors.

5. Members of the proposed Commission would not be compensated nor would they receive reimbursement for expenses.



6. The proposed ordinance would repeal Sections 11.40 through 11.44 of the City's Administrative Code that established the Citizen's Telecommunications Policy Committee (CTPC). The CTPC was established in 1980 to consider cable television issues, to review the cable services provided by the cable television franchisee and to recommend changes in the franchise agreement. Organizationally, the CTPC is under the Board of Supervisors. The proposed Communications Regulatory Commission would effectively replace the CTPC.

7. The proposed ordinance would also establish a special fund entitled the Communications Regulatory Commission Fund which would be a depository for Purveyor Fees, or a portion of the City's Franchise Fees. In addition to establishing a special fund, the proposed ordinance would appropriate \$200,000 annually from the Franchise Fee revenues to this special fund for the purposes of paying staff and other expenses incurred by the proposed Commission. According to the proposed ordinance, the Board of Supervisors would appropriate a minimum of \$200,000 each year to the Communications Regulatory Commission Fund.

8. The proposed ordinance designates an Executive Director as a paid staff person to the Communications Regulatory Commission to serve as the liaison between the cable television operators (Viacom and any other franchisees that the City may authorize) and the various City departments, to supervise other paid staff to the Commission and to assist the proposed Commission in the performance of its duties. The proposed ordinance does not specify the number or duties of other paid staff (other than the Executive Director) to the Commission.

### **Comments**

1. In compliance with Viacom's franchise agreement with the City, Viacom pays a franchise fee of five percent of its gross receipts to the City, amounting to approximately \$3.2 million annually. 96 percent of the Franchise Fee revenue is deposited into the City's General Fund and the remaining four percent is deposited into the City's Cable Television Access and Development Fund for public, educational and municipal access activities. According to Mr. John Madden of the Controller's Office, because 96 percent of the Franchise Fee revenue is deposited into the General Fund, appropriations of Franchise Fee revenues to the proposed Communications Regulatory Commission Fund would reduce the General Fund by a commensurate amount.

2. As previously stated, the proposed ordinance would appropriate \$200,000 from the Franchise Fee revenues to the proposed Communication Regulatory Commission Fund. According to Mr. Madden, appropriation of \$200,000 to the proposed Communication Regulatory Commission Fund would require a separate supplemental appropriation ordinance. Such an appropriation ordinance should be drafted by the Clerk of the Board of Supervisors and submitted to the Mayor's Office for approval and to the Controller's Office for certification of the availability of funds. Thus, the proposed ordinance should be amended to delete lines 22 through 24, in Section 22c.4, subsection (b), "The Board of Supervisors hereby appropriates \$200,000 to the Communications Regulatory Commission Fund." The title of

subsection (b) should also be amended to read "Sources and Uses of Monies", instead of "Source and Appropriation of Monies."

3. In addition, the Civil Service Commission should be requested to establish an Executive Director position for the proposed Commission before the Board of Supervisors appropriates monies to fund this position. A separate ordinance to amend the Annual Salary Ordinance would be necessary to create the new Executive Director position.

4. As of the writing of this report, a budget for expenditure of the \$200,000 for operating costs of the proposed Communications Regulatory Commission has not been finalized.

### **Recommendations**

Approval of the proposed ordinance is a policy matter for the Board of Supervisors. If the Board of Supervisors approves the proposed ordinance, amend the proposed ordinance as detailed in Comment 2, above, to delete lines 22 through 24, in Section 22c.4, subsection (b), "The Board of Supervisors hereby appropriates \$200,000 to the Communications Regulatory Commission Fund." The title of subsection (b) should also be amended to read "Sources and Uses of Monies", instead of "Source and Appropriation of Monies."





Item 6 - File 61-93-7

- Department:** Public Utilities Commission (PUC)  
San Francisco Water Department
- Item:** Resolution granting extension of time for awarding San Francisco Water Department Contract No. WD-2132R1, SFWD-Millbrae Headquarters - Phase IIA, North Shops-Fuel Island.
- Description:** Section 6.1 of the San Francisco Administrative Code requires that the Board of Supervisors approve the extension of time to award a contract if award of the contract is not made within 30 days of the acceptance of the bid, or within an additional 30 days if required for implementation of affirmative action under Chapter 12B.
- The proposed resolution would grant the PUC an extension of time to award San Francisco Water Department Contract No. WD-2132R1.
- Comments:**
1. According to Mr. Carlos Jacobo of the PUC, three bid protests were received for the subject contract, and due to the time required to investigate and resolve the bid protests, the contract was not awarded within 60 days. Mr. Jacobo advises that one bid protest concerned the Human Rights Commission status of the lowest responsive bidder, Berrios Construction Company. The protest was subsequently withdrawn. The other two bid protests concerned the past performance of Berrios Construction Company, which the PUC after consulting with the City Attorney's Office, determined to be without merit.
  2. Mr. Carlos Jacobo reports that San Francisco Water Contract No. WD-2132R1 will be awarded to Berrios Construction Company in the amount of \$2,974,520 (to be funded out of Water Department revenues), as the lowest responsive bidder. The contract work to be performed at the San Francisco Water Department's Millbrae Headquarters involves building a new maintenance shop and removing and installing a gasoline and diesel fuel dispensing station. Mr. Jacobo advises that the work is anticipated to start on February 15, 1994 and will be completed by November 15, 1994.
  3. According to Mr. Jacobo, Berrios Construction Company, is a certified MBE firm.
- Recommendation:** Approve the proposed resolution.



Item 7 - File 89-93-10

1. The proposed resolution would authorize enrollment of classification 0595 Fiscal Systems and Services Coordinator in the Superior Court in the State Disability Insurance (SDI) Program. The cost of SDI coverage would be paid by the employee through normal payroll deductions. The proposed legislation would not involve significant cost to the City as the Controller's payroll/personnel system is programmed to include this deduction.

2. SDI pays disability benefits to employees who suffer a non-industrial injury or illness. SDI-eligible employees have been paying into the SDI system since July 1, 1981. Currently, the payroll deduction is 1.3 percent of the first \$31,767 of gross salary for each employee (maximum of \$412.97 annually). While SDI coverage is mandatory for all employees within bargaining units enrolled in the SDI program, it is not mandatory that employee classifications which are not represented by a bargaining unit be included in the SDI program unless a majority of employees within the classification request coverage.

3. The following classification in Superior Court, which is not represented by a bargaining unit, would be authorized to enroll in the State Disability Program under the proposed resolution:

<u>Position</u>	<u>Classification</u>	<u>Number of Employees</u>
0595	Fiscal Systems and Services Coordinator	1

4. The Employee Relations Division (ERD) reports that it has received a letter requesting coverage signed by the one employee in the Superior Court's 0595 Fiscal Systems and Services Coordinator classification.

**Recommendation**

Approve the proposed resolution.



Item 8 - File 93-93-16

**Department:** Mayor's Office

**Item:** Resolution ratifying the Memorandum of Understanding (MOU) with Bricklayers Local Union No. 3 and the Hod Carriers Local Union No. 36.

**Description:** The various issues of hours and other terms and conditions of employment governed by the Salary Standardization Ordinance, as they concern bricklayers of Local Union No. 3 (formerly, Local Union No. 7) and hod carriers of Local Union No. 36, conform to the existing MOU between the City and Local union No. 3 and Local Union No. 36. The terms of the subject four-year MOU covering Fiscal Years 1993-94, 1994-95, 1995-96, and 1996-97 (July 1, 1993 through June 30, 1997) are not binding until the MOU is formally adopted by the Board of Supervisors. The MOU between the City and Local Unions No. 7 and No. 36 that preceded the subject MOU covered the three-year period of July 1, 1990, through June 30, 1993 (FYs 1990-91, 1991-92, and 1992-93). The proposed MOU on file with the Clerk of the Board of Supervisors is identical to the FY 90-92 through FY 92-93 version with the exception that the prior MOU includes an appendix clarifying the disposition of material relating to disciplinary actions in an employee's personnel file. Specifically, there are no amendments to the monetary provisions of the previous MOU.

**Comments:** 1. As previously cited, the proposed MOU, as it currently exists, is identical to its predecessor, with one exception concerning disciplinary actions, as noted above.

2. Mr. Carl Bunch, Director of the Employee Relations Division, has requested that consideration of the proposed MOU be continued for two weeks in order that two issues contained in the MOU may be further clarified.

**Recommendation:** Continue the item to the January 18, 1994, meeting of the Government Efficiency and Labor Committee, as requested by the Employee Relations Division.





Item 9 File 172-93-4.1

**Department:** Department of Public Health (DPH)  
Community Mental Health

**Item:** Resolution authorizing the Department of Public Health to extend a contract with the State Department of Health Services to continue a pilot Medicaid/Mental Health Delivery System, in connection with the Family Mosaic Project, for five months to coincide with the fiscal year.

**Description:** In 1990, the Department of Public Health developed a project known as the Family Mosaic Project to serve children and youth who have severe emotional disturbances and who are at risk of, or already in out-of-home placement. The services provided include Medi-Cal mental health services, as well as an array of non-traditional services, which are designed to allow the child to remain in or return to the home or community. Currently, there are 150 clients enrolled in the Family Mosaic Project, of which, 100 are participants in the pilot Medicaid/Mental Health Delivery System component of the Project. The Family Mosaic Project is a joint effort by the Department of Public Health, Community Mental Health, Department of Social Services, the San Francisco Unified School District and the Juvenile Probation Department.

The Family Mosaic Project is funded through (1) a grant from the Robert Wood Johnson Foundation, (2) a grant from the State Department of Mental Health, (3) City General Fund monies, budgeted in DPH, the Department Social Services, the San Francisco Unified School District and the Juvenile Probation Department and (4) the contract with the State Department of Health Services, which supports the pilot Medicaid/Mental Health Delivery System component of the Project.

A summary of the terms of the State Department of Health Services contract are as follows:

Term of Contract:	February 1, 1993 through January 31, 1994 (12 months).
Rate Paid:	\$1,849 per Family Mosaic Project enrollee, per month.
Number of Enrollees:	Up to 500, who are Medi-Cal eligible.

Services Provided:	Acute hospitalization, Day services, Out-Patient services, Family Therapy
Enrollment Criteria:	Must be a resident of San Francisco, between the ages of 3 and 16, have a serious emotional disturbance with significant impairment in daily functioning, and be at risk of or already in out-of-home placement.

The DPH reports that the State has agreed to extend the term of the contract an additional five months from January 1, 1994, to June 30, 1994, such that the term of the contract will be from February 1, 1993 through June 30, 1994 (17 months). This contract extension will enable the contract to coincide with the fiscal year. The DPH anticipates that the contract will be renewed on an annual basis thereafter.

**Comments:**

1. The DPH reports that revenues from the contract with the State Department of Health Services totaled \$854,238 for the first eleven months of the contract (February 1, 1993 to December 31, 1993), based on an average of 42 enrollees per month (42 enrollees per/month x \$1,849 per month x 11 months). The DPH estimates that based on a projected monthly average of 120 enrollees in the Family Mosaic Project for the period January 1, 1994 through June 30, 1994, an additional \$1,331,280 in revenue will accrue to the City (120 enrollees x \$1,849 per/month x 6 months) for a total of approximately \$2,185,518 (\$854,238 plus \$1,331,280) for the February 1, 1993 through June 30, 1994 proposed term of the contract. As noted above, currently there are 100 clients enrolled in the pilot Medicaid/Mental Health Delivery System component of the Family Mosaic Project. The DPH advises that the reason that the average number of enrollees per month for the first eleven months was only 42 was because this Project component was new and, as such, a period of time was required to build the client population.

**Recommendation:** Approve the proposed resolution.

Item 10 File 226-93-3

**Item:** Hearing to consider the Library Commission's petition to change the terms of the Fuhrman Trust

**Description:** 1. Mr. Alfred Fuhrman, a San Francisco labor leader and attorney, died in 1940 and bequeathed a portion of his estate to the City and County of San Francisco. The bequest stipulated that trust fund proceeds would be divided equally between the San Francisco Public Library "... for the acquisition of additional books on economic and political subjects.." and the Recreation and Park Department for "... the further adornment of Golden Gate Park..".

The Library Commission has petitioned the Superior Court to modify the Fuhrman Trust to permit expenditures from the Fuhrman Bequest Fund for the acquisition of books and *materials in other formats, which expand or enhance public access to information* on economic and political subjects. According to Ms. Julia Moll, Deputy City Attorney, the Court has granted the relief sought by the Library Commission's petition, but has not yet issued a final written order.

2. The basis for the Library Commission's petition is that information on economic and political subjects is available in a variety of media that did not exist at the time the Fuhrman Trust was originally established. By expanding the use of trust fund expenditures to include such items as CD ROM (Read Only Memory Compact Discs) and computer data bases, improved access to more information on economic and political subjects will be made available and enhance the benefits of the Fuhrman Trust for users of the Public Library.

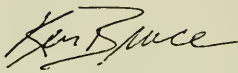
3. A 1963 City Attorney opinion resulted in the expansion of the Library's use of Fuhrman Trust funds from just books on economic and political subjects to print materials including books, subscriptions to printed business services and microfiche. This expanded use of the Fuhrman Trust has been challenged, in an attempt to limit expenditures to books only, on two occasions, in 1991 and 1992. In both cases, the challenge was denied by the Court.

**Comments:** 1. The primary source of income for the Fuhrman Bequest Trust Fund is an oil lease for trust fund property in Kern County, California. Total revenues to the fund in 1992-93 were \$557,000. The current fund balance of the Fuhrman Bequest Trust Fund is approximately \$3.4 million. The Recreation and Park Department appropriates its portion of annual Fuhrman Bequest Trust Fund revenue through the

City and County's annual budget for maintenance of Golden Gate Park. Appropriations for this purpose in the current, 1993-94 Fiscal Year are approximately \$201,000.

2. Of the \$3.4 million Fuhrman Bequest Trust Fund balance, approximately \$469,000 is available for the Public Library as of June 30, 1993. The Library Commission approves an annual budget for expenditures from the fund. Such expenditures amounted to \$192,502 in 1992-93. Expenditures from the Trust Fund are not appropriated through the City's annual budget and therefore are not approved by the Board of Supervisors or the Mayor.

3. According to the Department of Real Estate, the lease between the City and County of San Francisco and Shell Oil Company, who leases Fuhrman Bequest Trust Fund property in Kern County for oil production purposes, is currently being renegotiated. The lease, if approved by the Board of Supervisors, will be extended for twenty two years, from the current lease termination date of 1998 to a new termination date of 2020. The proposed lease extension would also result in two, one time payments to the City of \$120,000 each and would also increase oil lease royalties from 12.5% of the lessor's gross oil production revenue to 15.5%. At current production and oil price levels, annual revenue to the Fuhrman Bequest Trust Fund would increase by approximately \$100,000 to \$120,000 annually.

  
for Harvey M. Rose

cc: Supervisor Hallinan  
Supervisor Kaufman  
Supervisor Migden  
President Alioto  
Supervisor Bierman  
Supervisor Conroy  
Supervisor Hsieh  
Supervisor Kennedy  
Supervisor Leal  
Supervisor Maher  
Supervisor Shelley  
Clerk of the Board  
Chief Administrative Officer

Controller  
Teresa Serata  
Robert Oakes  
Ted Lakey

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BOARD of SUPERVISORS



City Hall  
San Francisco 94102  
554-5184

DOCUMENTS DEPT.

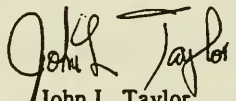
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NOTICE OF RESCHEDULED MEETING

GOVERNMENT EFFICIENCY AND LABOR COMMITTEE

NOTICE IS HEREBY GIVEN that the regularly scheduled meeting of the Government Efficiency and Labor Committee for Tuesday, January 18, 1994, has been rescheduled to Wednesday, January 19, 1994.

  
John L. Taylor  
Clerk of the Board

Government Efficiency & Labor Committee  
S.F. Board of Supervisors  
City Hall, Room 235  
San Francisco, CA 94102

IMPORTANT HEARING NOTICES!





# CALENDAR

DOCUMENTS DEPT.

JAN 13 1994

## GOVERNMENT EFFICIENCY & LABOR COMMITTEE

SAN FRANCISCO  
PUBLIC LIBRARY

### BOARD OF SUPERVISORS

### CITY AND COUNTY OF SAN FRANCISCO

#### RESCHEDULED MEETING

WEDNESDAY, JANUARY 19, 1994

2:00 PM

ROOM 228, City Hall

MEMBERS: Supervisors Terence Hallinan, Barbara Kaufman, Carole Migden

CLERK: Joni Blanchard

\* \* \* \* \*

### Disability Access

The Board of Supervisors Committee Meeting Room (228) and the Legislative Chamber of the Board are on the second floor of City Hall.



Both the Committee Room and the Chamber are wheelchair accessible. The closest accessible BART Station is Civic Center, 2 1/2 blocks from City Hall. Accessible MUNI line serving this location is the #42 Downtown Loop as well as the METRO stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services, call 923-6142.



There is accessible parking in the vicinity of City Hall adjacent to Davies Hall and the War Memorial Complex.



Assistive listening devices are available for use in the Meeting Room and the Board Chamber. A device can be borrowed prior to or during a meeting. Borrower identification is required and must be held by Room 235 staff.

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For American sign language interpreters or the use of a reader during a meeting, contact Violeta Mosuela at (415) 554-7704.

For a large print copy of an agenda, contact Moe Vazquez at (415) 554-4909.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.



## CONSENT CALENDAR

1. All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Committee, and will be acted upon by a single roll call vote of the Committee. There will be no separate discussion of these items unless a member of the Committee or a member of the public so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item:
  - a. File 38-93-15. [Acceptance of Gift from Bank of Canton & YMCA] Resolution authorizing the acceptance of gift of \$50,000 from the Bank of Canton and the Young Men's Christian Association (YMCA) of San Francisco for the purpose of increasing street lighting in the Tenderloin. (Supervisor Hsieh)
  - b. File 172-93-47. [District Attorney - Bad Check Diversion Program] Resolution authorizing the District Attorney of San Francisco to enter into an agreement with the Computer Support Services to conduct a bad check diversion program pursuant to State law, and declaring that sufficient funds are available to fund such program. (District Attorney)
  - c. File 89-93-11. [SDI Coverage for Classification 1453] Resolution authorizing enrollment of Classification 1453, Principal Stenographer, Mayor's Office, in the State Disability Insurance Program. (Mayor's Office of Employee Relations Division).
  - d. File 89-93-12. [SDI Coverage for Classification 1942] Resolution authorizing enrollment of Classification 1942, Assistant Materials Coordinator, in the State Disability Insurance Program. (Mayor's Office of Employee Relations Division)
  - e. File 78-93-3. [Health Service System Contributions] Resolution establishing the contribution to be made to the Health Service System by City and County, Unified School District and Community College District for Fiscal Year 1994-95. (Health Service System)
  - f. File 146-93-57.1. [Treatment Manual, Evaluation, Homeless] Resolution authorizing the Department of Public Health, Division of Mental Health and Substance Abuse Services, to accept and expend retroactively a grant up to the amount of \$196,785 which includes indirect costs in the amount of \$3,859 based on two percent of the total award from the United States Department of Health and Human Services/Substance Abuse and Mental Health Services Administration for the development of a comprehensive placement/referral manual and evaluation of treatment services for homeless persons who require combined substance abuse and mental health services; providing for ratification of action previously taken. (Department of Public Health)
  - g. File 190-93-8.1. [Union Square Tour Bus Non-Exclusive License] Resolution confirming award of the Union Square Tour Bus Non-Exclusive License to use space. (Real Estate Department)

- h. File 146-92-46.14. [Release Reserved Funds, DPH] Hearing requesting release of reserved funds, Department of Public Health, Community Public Health, Bureau of Health Promotion and Education, in the amount of \$40,000, for a new contractor (National Latina Health Organization), to develop and implement a "Girl Against Tobacco Campaign", which involves recruiting and training girls to select, plan and promote a tobacco free event. (Department of Public Health)
- i. File 146-92-46.15. [Release Reserved Funds, DPH] Hearing requesting release of reserved funds, Department of Public Health, Community Public Health, Bureau of Health Promotion and Education, in the amount of \$8,000, to modify the contract with the San Francisco Mime Troupe to add one additional actor to play and perform four additional performances of the musical comedy promoting a tobacco free message in the public schools. (Department of Public Health)
- j. File 146-92-46.16. [Release Reserved Funds, DPH] Hearing requesting release of reserved funds, Department of Public Health, Community Public Health, Bureau of Health Promotion and Education, in the amount of \$8,353, to modify the contract with American Lung Association of Solano Contra Costa County to extend funding period to provide technical assistance to worksites in the implementation of the smokefree policies in compliance with Article 19E of the Health Code. (Department of Public Health)
- k. File 144-93-3.1. [Release Reserved Federal Funds, Port] Hearing requesting release of reserved funds, Port, in the amount of \$417,000, for preliminary design and financial feasibility services for the Historic Renovation of the Ferry Building. (Port)

ACTION:

#### REGULAR CALENDAR

- 2. File 97-93-66. [Communications Regulatory Commission] Ordinance amending Administrative Code by adding Chapter 22C to create a Communications Regulatory Commission and repealing Sections 11.40, 11.41, 11.42, 11.43, 11.44 concerning the Telecommunications Policy Committee. (Supervisor Bierman)  
FISCAL IMPACT

(Consideration continued from 1/4/94)

(Chair may entertain a motion to continue this item.)

ACTION:

- 3. File 93-93-16. [Memorandum of Understanding] Resolution ratifying Memorandum of Understanding with Bricklayers Local Union No. 3 and Hod Carriers Local Union No. 36. (Employee Relations Division).

(Consideration continued from 1/4/94)

ACTION:

4. File 97-93-68. [Temporary Street Closing Procedures] Ordinance amending Sections 2.70, 2.70-1, 2.70-2 and 2.70-6 which established the procedures for temporary street closings, by amending the fee for filing applications for street closings, by designating the Director of Parking and Traffic as the person to consider preliminary appeals of decisions of ISCOTT granting or denying applications for street closing permits (retaining a final appeal to the Board of Supervisors), by eliminating late application provisions and the policy absolutely limiting the number of major events to be scheduled at the same time, by increasing the fee charged by the Municipal Railway for reimbursement of costs, and by otherwise modifying the process for consideration of these applications. (Supervisor Alioto)

ACTION:

5. File 27-93-21. [Retail Concession Lease/Airports Commission] Ordinance approving B/A "A" Retail Concession Lease A-1 between the Charnel Company, Inc., and the City and County of San Francisco, acting by and through its Airport Commission. (Airport Commission)

ACTION:

6. File 30-93-23. [AB 75 Capital Outlay Plan] Resolution authorizing amendment to the AB 75 Capital Outlay Plan for the City and County of San Francisco, as adopted by Resolution No. 125-91 to add two San Francisco General Hospital Projects, to revise six San Francisco General Hospital project budgets, to revise one San Francisco DPH/Community Public Health Services project budget, to authorize expenditure of up to \$248,747 including up to \$139,058 of interest on Hospital AB 75 Capital Outlay funds for San Francisco General Hospital and up to \$109,689 of interest on non-hospital AB 75 Capital Outlay funds for San Francisco DPH/Community Public Health for capital improvement projects, and to reallocate unspent funds from completed hospital and non-hospital projects to 3 other hospital and 2 other non-hospital projects, respectively. (Supervisors Hallinan, Alioto)

FISCAL IMPACT

ACTION:

7. File 30-94-2. [California Healthcare for Indigents Program] Resolution authorizing adoption of the County description of proposed expenditure of California Healthcare for Indigents Program (CHIP) funds for Fiscal Year 1993-94 and that the Chairperson or duly authorized representative of the Board of Supervisors of San Francisco can certify the County description of proposed expenditure of CHIP funds for Fiscal Year 1993-94. (Supervisor Hallinan)

ACTION:

8. File 97-93-46.1. [Official Newspaper Home Delivery Requirement] Ordinance amending Administrative Code Section 2.81 to clarify home delivery requirements for bidders for the City's official advertising contract. (Supervisor Hallinan)

ACTION:

9. File 327-93-1. Hearing to consider the financial practices of the Medical Examiner - Coroner. (Supervisor Migden)  
FISCAL IMPACT

ACTION:

LITIGATION:

10. File 45-93-92. [Settlement of litigation of Marey E. Carey] Ordinance authorizing settlement of litigation of Marey E. Carey against the City and County of San Francisco by payment of \$20,000. (Superior Court No. 947-614) (City Attorney)

ACTION:

11. File 45-93-93. [Settlement of Litigation of Vince Brown] Ordinance authorizing settlement of litigation of Vince Brown, et al. against the City and County of San Francisco by payment of \$220,000. (United States District Court No. C92-3624 FMS) (City Attorney).

ACTION:

12. File 48-93-30. [Settlement of Unlitigated Claim, Anthony Santana] Resolution approving the settlement of the unlitigated claim of Anthony M. Santana by payment of \$8,000. (City Attorney)

ACTION:



CITY AND COUNTY



OF SAN FRANCISCO

## BOARD OF SUPERVISORS

BUDGET ANALYST

1390 MARKET STREET, SUITE 1025

SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

January 14, 1994

DOCUMENTS DEPT

TO: Government Efficiency and Labor Committee

SEP 7 6 2000

FROM: Budget Analyst

SAN FRANCISCO  
PUBLIC LIBRARYSUBJECT: January 19, 1994 Government Efficiency and Labor Committee  
MeetingItem 1a - File 38-93-15

Department: Public Utilities Commission (PUC)

Item: Resolution accepting a gift valued at \$50,000 from the Bank of Canton and the Young Men's Christian Association of San Francisco for increased street lighting in the Tenderloin.

Amount: \$50,000

Description: The proposed resolution would authorize the acceptance of a gift totaling \$50,000 in cash from the Bank of Canton, initiated by the Young Men's Christian Association (YMCA) of San Francisco, in order to double the illumination level of the street lighting system in the Tenderloin. This will be accomplished by upgrading light fixtures and installing new 400-watt bulbs in place of existing 200-watt bulbs. The specific location of the Tenderloin includes the area bounded by Market Street, Larkin Street, O'Farrell Street and Mason Street.

Comments: 1. Mr. Carlos Jacobo of the PUC advises that any maintenance costs associated with the proposed increased street lighting will be absorbed by existing PUC resources. However, Mr. Jacobo advises that because increasing the street lighting requires more wattage per street light, the proposed resolution



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will result in approximately \$6,000 a year in additional energy costs.

2. Mr. Jacobo also advises that the Department of Electricity and Telecommunications, as the lowest responsive bidder, was awarded a Bureau of Light, Heat and Power contract for maintenance, repair and alterations of City-owned street lighting systems in the amount of \$569,072, for FY1993-94. Mr. Jacobo reports that prior to FY1993-94, these services were provided by a private contractor. However, when the contract expired and was rebid, the Department of Electricity and Telecommunications was lowest responsive bidder, out of a total of four bids, advises Mr. Jacobo. If the proposed resolution is approved, the PUC proposes to increase this contract by \$50,000 to \$619,072, in order to provide the increased street lighting.

**Recommendation:** Approval of the proposed resolution is a policy matter for the Board of Supervisors.



Item 1b - File 172-93-47

**Department:** District Attorney

**Item:** Resolution authorizing the District Attorney to enter into an agreement with a company known as the Computer Support Services to conduct a bad check diversion program pursuant to State law, and declaring that sufficient funds are available to fund such a program.

**Description:** The California Penal Code authorizes the District Attorney to create a bad check diversion program, if the Board of Supervisors adopts a resolution declaring that there are sufficient funds available to fund the program. Under a bad check diversion program, a merchant who receives a bad check may contact the District Attorney and request that the District Attorney collect the funds. According to the Penal Code, the District Attorney may then collect the amount of the bad check, to be paid to the merchant. In some cases, persons who write bad checks would be required to attend educational seminars. A fee for service would be collected in addition to the outstanding check amount. This fee for service would support the program, and would provide revenue to the City (see Comment 2). The proposed resolution would authorize that sufficient funds are available to fund a proposed bad check diversion program, in accordance with the Penal Code.

**Comments:**

1. The Penal Code provides that the bad check diversion program may be conducted by a private entity under contract with the District Attorney. According to the proposed resolution, the District Attorney has determined that the City would best be served by having the bad check diversion program conducted by a private entity knowledgeable and experienced in such programs. Based on a competitive bid, the District Attorney selected Computer Support Services (CSS) to conduct the bad check diversion program. CSS is not certified by the Human Rights Commission as a MBE/WBE firm.
2. The fee for service added to the outstanding check amount would be \$25, in accordance with the Penal Code. Under the proposed contract with CSS, CSS would receive 70 percent of this fee, or \$17.50, and the City would receive the 30 percent balance of the fee, or \$7.50. According to Ms. Bridget Banes of the District Attorney's Office, the District Attorney anticipates that its 30 percent share would total approximately \$7,000 per month from this fee for service, or \$84,000 per year. This \$84,000 in additional revenue would accrue to the General Fund.

3. The 70 percent share of the fee for service would be CSS' sole compensation for its services. No funds would be paid from the City's existing revenue for the contractor. Pursuant to the State Penal Code, the Board of Supervisors must approve a resolution declaring that funds are available to support a bad check diversion program implemented by the District Attorney. Since this program requires no additional funds, the proposed resolution would declare that sufficient funds are available.

4. Ms. Banes advises that an already existing staff person would be assigned one-half time to the project for the first two months of start-up, beginning January 18, 1994. A full-time new position of Victim Witness Investigator II (8131) would be requested by the District Attorney's Office to staff the check diversion program as soon as the program generates sufficient revenue. As of the writing of this report, the District Attorney was unable to provide a job description for this Victim Witness Investigator. However, this proposed resolution would not approve the creation of this position. The District Attorney would provide a job description for the Victim Witness Investigator prior to requesting the position. Funding for the position at the current salary level, including fringe benefits, would be \$41,228 annually, to be funded from the program's estimated \$84,000 in annual revenue.

5. The objective of this proposed program, according to Ms. Banes, is: (1) to generate General Fund revenue; and (2) to ameliorate recidivism among persons who write bad checks. Writing bad checks is a crime for which the District Attorney may prosecute.

**Recommendation:** Approval of the proposed resolution is a policy matter for the Board of Supervisors.

Item 1c - File 89-93-11

1. The proposed resolution would authorize enrollment of classification 1453 Principal Stenographer in the Mayor's Office, in the State Disability Insurance (SDI) Program. The cost of SDI coverage would be paid by the employee through normal payroll deductions. The proposed legislation would not involve significant cost to the City as the Controller's payroll/personnel system is programmed to include this deduction.

2. SDI pays disability benefits to employees who suffer a non-industrial injury or illness. SDI-eligible employees have been paying into the SDI system since July 1, 1981. Currently, the payroll deduction is 1.3 percent of the first \$31,767 of gross salary for each employee (maximum of \$412.97 annually). While SDI coverage is mandatory for all employees within bargaining units enrolled in the SDI program, it is not mandatory that employee classifications which are not represented by a bargaining unit be included in the SDI program unless a majority of employees within the classification request coverage.

3. The following classification in the Mayor's Office, which is not represented by a bargaining unit, would be authorized to enroll in the State Disability Program under the proposed resolution:

<u>Position</u>	<u>Classification</u>	<u>Number of Employees</u>
1453	Principal Stenographer	1

4. The Employee Relations Division (ERD) reports that it has received a petition requesting coverage signed by the one employee in the Principal Stenographer classification.

**Recommendation**

Approve the proposed resolution.



Item 1d - File 89-93-12

1. The proposed resolution would authorize enrollment of classification 1942 Assistant Materials Coordinator (at San Francisco General Hospital and Municipal Railway), in the State Disability Insurance (SDI) Program. The cost of SDI coverage would be paid by the employee through normal payroll deductions. The proposed legislation would not involve significant cost to the City as the Controller's payroll/personnel system is programmed to include this deduction.

2. SDI pays disability benefits to employees who suffer a non-industrial injury or illness. SDI-eligible employees have been paying into the SDI system since July 1, 1981. Currently, the payroll deduction is 1.3 percent of the first \$31,767 of gross salary for each employee (maximum of \$412.97 annually). While SDI coverage is mandatory for all employees within bargaining units enrolled in the SDI program, it is not mandatory that employee classifications which are not represented by a bargaining unit be included in the SDI program unless a majority of employees within the classification request coverage.

3. The following classification at San Francisco General Hospital and Municipal Railway, which is not represented by a bargaining unit, would be authorized to enroll in the State Disability Program under the proposed resolution:

<u>Position</u>	<u>Classification</u>	<u>Number of Employees</u>
1942	Assistant Materials Coordinator	2

4. The Employee Relations Division (ERD) reports that it has received a petition requesting coverage signed by both employees in the Assistant Materials Coordinator classification.

**Recommendation**

Approve the proposed resolution.





Item 1e - File 78-93-3

1. The proposed resolution would establish the contribution to be made to the Health Service System by the City and County of San Francisco, the Unified School District, and the Community College District for fiscal year 1994-95. This would authorize the Health Service Board of the City and County Employees' Health Service System to set the City's (employer) 1994-95 monthly contribution to the Health Service System Fund at \$178 for each eligible active employee. (The employees' contribution rates are determined after the City's contribution rate is set.)

2. The Health Service Board is required by Charter Sections 8.423 and 8.428 to survey the ten most populous counties in the State, excluding San Francisco, to determine the average amount these counties contribute toward each employee's medical care insurance (not including dental and optical care insurance). The ten surveyed counties include: (1) Los Angeles; (2) San Diego; (3) Orange; (4) Santa Clara; (5) San Bernardino; (6) Alameda; (7) Riverside; (8) Sacramento; (9) Contra Costa; and (10) Fresno. The survey indicates that the average per employee contribution of these ten counties for 1993-94 is \$178 per month (not including dental and optical care insurance). The City's current contribution is \$172.85. The proposed resolution would establish \$178 as the monthly per employee contribution to be made in 1994-95 by the City and County, the San Francisco Unified School District, and the Community College District. The new rate would represent an increase of approximately 2.9 percent over the amount currently contributed.

3. The total estimated City and County contribution for active members during 1993-94 is \$44.8 million. Based on the current membership in the Health Service System of 21,600 active employees, the approximate total contributions for 1994-95 would be \$46.2 million, including an estimated \$30.5 million in General Fund monies. The contribution increase authorized by this resolution would thus amount to approximately \$1.4 million in additional annual expenditures.

4. Pursuant to Charter Section 8.428(c), retired employees<sup>1</sup> who wish to continue to participate in the Health Services System must make monthly contributions to the Health Service System that are equal to those of active members, except for retired employees who are also covered under Medicare. The total contributions required from retired employees who are also covered under Medicare is reduced by an amount equal to the amount contributed monthly by such persons to Medicare. In connection with this latter provision, the City, the Unified School District and the Community College District must contribute funds sufficient to defray the difference in cost to the Health Service System in providing the same health coverage to retired employees as active employees. The City's contribution for retired employees in 1993-94 is estimated at \$21.3 million, including an estimated \$14 million in General Fund monies. The 1992-93 actual retiree cost to the City was \$20.5 million, of which \$13.6 million was General Fund. The estimated City contribution to the Health Service System for retired employees will not be

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<sup>1</sup>For the purpose of this report, "retired employees" should be taken to include retired employees and surviving spouses of active or retired employees.



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established until health plan contract rates and employee contribution rates are determined by the Health Service Board in February, 1994. It is estimated at this time that the total City contribution for retired employees will remain approximately \$20.5 million for FY 1993-94, including \$13.6 million in General Fund monies.

Comments

1. The City contribution for health care in 1994-95 is equal to the average contributed by the other ten most populous counties in California for 1993-94. As a result, given the likelihood that the counties used for comparison will increase their contributions in 1994-95, the City contribution will in fact be less than the average actual coverage provided by those ten counties. However, because the Health Service System is required by the Charter to collect the comparative data before January of each year, the System could not set its 1994-95 rates based on the actual 1994-95 rates of other jurisdictions.

2. The Health Service System indicates that the ten surveyed counties contributed an average of \$278.70 per month for an employee and one dependent and \$344.69 per month for an employee and two or more dependents. The City currently does not contribute toward dependent health coverage for most employees.

Recommendation

Approve the proposed resolution.

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Item 1f - File 146-93-57.1

**Department:** Department of Public Health (DPH),  
Division of Mental Health and Substance Abuse Services

**Item:** Resolution authorizing the Department of Public Health to accept and expend retroactively a grant up to the amount of \$196,785, which includes indirect costs in the amount of \$3,859 based on 2 percent of the total award, from the U. S. Department of Health and Human Services/Substance Abuse and Mental Health Services Administration for the development of a comprehensive placement/referral manual and evaluation of treatment services for homeless persons who require combined substance abuse and mental health services, and providing for ratification of action previously taken.

**Grant Amount:** Up to \$196,785

**Grant Period:** September 30, 1993 through August 31, 1994

**Source of Funds:** U. S. Department of Health and Human Services/Substance Abuse and Mental Health Services

**Description:** The Board of Supervisors previously approved legislation authorizing the DPH to apply for the proposed grant funds in an amount of up to \$196,785 (File 146-93-57). The proposed grant funds would be used to pay for contract services to perform a demonstration program to document and evaluate services for screening, assessment, and treatment of homeless persons who are mentally ill and are substance abusers. The demonstration program would include compilation and distribution of a manual to mental health providers City-wide. The manual would be used to ensure that the target population is referred to the appropriate mental health and drug rehabilitation providers. The program would also include the development of tools to monitor the effectiveness of all treatment strategies. The goal of the demonstration program would be to improve services to the target population by developing treatment manuals and evaluating documented treatments.

The DPH reports that the Department intends to modify an existing contract with Baker Places Inc., a non-profit organization, to acquire the necessary program services. According to the DPH, it requested and received approval from the Health Commission to contract with Baker Places Inc. on a sole source basis because (1) the grant funds must be expended by August of 1994, which does not permit an

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adequate amount of time to issue a Request for Proposals (RFP), (2) Baker Places Inc. is the only agency the DPH was able to identify with demonstrated experience in providing dual diagnosis services (i.e., substance abuse/mental health services) and (3) Baker Places Inc. has a history of providing quality services to the DPH.

<b>Budget:</b>	<u>Contract Services</u>	
	Salaries (1.5 FTE)	\$51,000
	Fringe Benefits	14,280
	Travel	1,725
	Supplies	2,250
	<u>Consultants:</u>	
	Manual Development	\$75,000
	Evaluation	8,000
	Primary Care Providers*	20,000
	Administrative Overhead	<u>20,671</u>
	Subtotal Contract	\$192,926
	<u>Indirect Costs (2 % of Contract)</u>	<u>3,859</u>
	<b>Total</b>	<b>\$196,785</b>

\* These funds would be used to reimburse Primary Care Providers for costs in time and travel for their participation in planning, coordination and evaluation meetings in connection with this project.

Required Match: None

Indirect Costs: \$3,859 (based on 2 % of the total contract)

**Comments:**

1. As noted above, the proposed legislation provides for ratification of action previously taken. The DPH reports that the Department has been formally awarded the proposed grant in the amount of \$196,785. However, according to the DPH, no expenditures have, as yet, been incurred against the proposed grant. As such, the proposed legislation should be amended to delete reference to ratification of action previously taken in the title and the body of the proposed legislation.

2. The DPH advises that Baker Places Inc. has selected the consulting firm of Allen/Loeb Associates to provide the manual development services and William Woods to provide the evaluation services. Neither Allen/Loeb Associates nor William Woods is an MBE or a WBE.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

3. Attached is a Summary of Grant Request, as prepared by the DPH, for the proposed grant funds.

4. The DPH has prepared a Disability Access Checklist, for this grant program, which is on file with the Clerk of the Board of Supervisors.

**Recommendation:** Amend the proposed resolution to delete reference to ratification of action previously taken from the title and body of the proposed legislation and approve the proposed resolution as amended.

**Grantor:** U.S. Dept. of Health & Human Svcs  
**Substance Abuse & Mental Health Svcs Admin**  
**Contact Person:** Frances L. Randolph et al.  
**Address:** 5600 Fishers Lane, Room 11C-05  
 Rockville, MD 20857

**Amount Requested:** \$196,785

**Term:** From 9/30/93 To 8/31/94

**Health Commission** \_\_\_\_\_ **Board of Supervisors:**

**Mental Health and**

**Division:** Substance Abuse Services

**Section:** Community Substance Abuse Services

**Contact Person:** Wayne Clark, Ph.D.

**Telephone:** 255-3500

**Application Deadline:** N/A

**Notification Expected:** N/A

**Finance Committee:** \_\_\_\_\_

**Full Board:** \_\_\_\_\_

**I. Item Description:** Request to accept and expend a new allocation grant in the amount of \$196,785 from the period of September 30, 1993 to August 31, 1994 to develop a manual and evaluation plan for the City's integrated system of substance abuse and mental health services for the homeless.

**II. Summary:** (Context/history, need addressed; number + groups served; services and providers)

The USDHHS/Substance Abuse and Mental Health Services Administration (SAMHSA) through a cooperative effort between its Center for Mental Health Services (CMHS) and Center for Substance Abuse Treatment (CSAT) earlier issued a Request-for-Applications (RFA #93-08) to interested agencies (Continued on Page 1b Attached.)

**III. Outcomes/Objectives:**

The major outcome of this grant will be the development, production and distribution of manual to effectively place homeless persons within San Francisco's integrated treatment system for combined substance abuse and mental health treatment, and evaluation tools to effectively evaluate services.

**IV. Effects of Reduction or Termination of These Funds:**

Should funds be terminated or reduced, contractual services would be proportionately terminated or reduced.

**V. Financial Information:**

**Col. A**  
Two Years  
Ago

**Col. B**  
Past Year/  
Original

**Col. C**  
Proposed

**Col. D**  
Change

**Req. Match**

**Approved by**

Grant Amount	N/A	N/A	196,785	N/A	N/A	N/A
Personnel			0			
Equipment			0			
*Contract Svc.			192,926			
Mat. & Supp.			0			
Facilities/Space			0			
Other/Admin.			0			
Indirect Costs			3,859			

**VI. Data Processing**

(costs included above)	0	--
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**VII. Personnel**

F/T CSC	0
P/T CSC	0
Contractual	1.5*

\*In addition to these 1.5 FTE for admin./project coord., an undetermined number of specialists will be temporarily hired by the contractor to develop the manual and evaluation tools.

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:

Not applicable.

Will grant funded employees be retained after this grant terminates? If so, How?

No; contract employees will be hired only for the duration of this grant and duly notified thereof.

\*VIII. Contractual Services: Open Bid \_\_\_\_\_ Sole Source XXX (if sole source, attach Request for Exemption Form)



"to support a new demonstration program to document and evaluate services for screening, assessment, and treatment of homeless persons who have co-occurring mental and substance use disorders." The Health Commission and Board of Supervisors approved the Department's request to respond to the federal RFA and apply for this grant.

The Department is simultaneously requesting to make a sole source contract award to Baker Places, Inc. -- a non-profit contractor with the Department -- based on the following criteria: 1) due to time constraints (i.e., only one year to expend funds between September 1993 and end of August 1994) it wasn't feasible to issue an RFP for these short-term limited services, thereby necessitating a search by DPH staff to identify potential contractor(s) with demonstrated experience providing dual diagnosis (i.e., substance abuse/mental health) services; and 2) Baker Places is the only agency identified by the Department with such experience. Baker Places has a history of providing quality services to the Department based on annual monitoring reports.

This request to accept and expend this grant is retroactive due to the priority assigned to contracts, the county plan and another major grant request. Although the award was effective September 30, 1993, the Department cannot expend funds until the Health Commission and Board of Supervisors have approved this request.

Under CSAS' administrative direction, Baker Places will coordinate the task of compiling a master manual for city-wide use and distribution to effectively place and refer homeless persons in the City's substance abuse and mental health service network and develop evaluation tools to effectively monitor and evaluate the effectiveness of treatments. This manual will also include projected services funded through grants such as Target City. The evaluation data will impact all treatment services in terms of long term planning and budgeting.

Because the Department plans to contract these services through Baker Places, the Division of Mental Health and Substance Abuse Services has charged an indirect rate of 2% for contractual services. Indirect charges for these services are negligible given the fact that DMS maintains a contract with Baker Places which would be modified to augment services accordingly.





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Item 1g File 190-93-8.1

**Departments:** Real Estate Department  
Department of Parking and Traffic

**Item:** Resolution confirming the award of the Union Square Tour Bus Non-Exclusive License to use space.

**Description:** The Board of Supervisors previously approved legislation authorizing the Director of Property to request competitive bids to lease the Union Square sightseeing bus stand located at the east side of Powell Street, between Geary and Post Streets (File 190-93-8). This site was leased to Gray Line at a rate of \$1,000 per year for a five year period that expired in December of 1992. Gray Line has continued to lease this site on a month-to-month basis, at a rate of \$1,000 per year (or approximately \$83 per month), pending the assignment of a new lease.

The Real Estate Department advises that in response to their Department's issuance of an Invitation for Bids, the Department received requests for five bid packages. Of the five firms which requested bid packages, two firms submitted required follow-up documentation on their experience and financial background and, according to the Real Estate Department were subsequently determined to have met the minimum standards to bid on the Union Square Tour Bus Non-Exclusive License. Of the two firms which met the minimum requirements to bid, only one firm Gray Line submitted a formal bid. Gray Line is not an MBE or a WBE firm. However, the Human Rights Commission (HRC) has reviewed the HRC forms submitted by Gray Line and has concluded that Gray Line is in compliance with HRC's affirmative action requirements.

The Real Estate Department advises that Gray Line was selected on the basis of a qualified bid amount of \$2,500 per month (or \$30,000 annually), the required minimum bid. The Real Estate Department reports that the proposed lease would commence upon approval by the Board of Supervisors and expire five years from the date that it commences. All revenues generated from this lease will accrue to the City's General Fund. Over the five year term, based on the bid amount of \$2,500 per month, the proposed lease will generate a total of \$150,000.

**Comments**

1. In March of 1993, the Board of Supervisors approved an ordinance amending the Police Code to place the issuance of permits for Union Square and Fisherman's Wharf sightseeing

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vehicles under the jurisdiction of the Department of Parking and Traffic. That ordinance also provided for a competitive bidding procedure for the issuance of the Union Square permits and licenses (File 121-93-1).

2. The Real Estate Department advises that it recently reevaluated the fair market value of the Union Square sightseeing bus stand and determined that \$2,500 per month represents the current fair market value for the space to be leased.

**Recommendation:** Approve the proposed resolution.

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Items 1h, 1i, 1j - Files 146-92-46.14, 146-92-46.15 and 146-92-46.16

**Department:** Department of Public Health (DPH)  
Community Public Health  
Bureau of Health Promotion and Education

**Items:** Total request for release of reserve funds, of \$56,353, including:

(a) Request for release of reserved funds in the amount of \$40,000 for contract services to develop and implement a "Girls Against Tobacco Campaign" (File 146-92-46.14).

(b) Request for release of reserved funds in the amount of \$8,000 to modify the contract with the San Francisco Mime Troupe (File 146-92-46.15).

(c) Request for release of reserved funds in the amount of \$8,353 to modify the contract with the American Lung Association (File 146-92-46.16).

**Source of Funds:** State Department of Health Services Tobacco Tax (AB 99) monies administered by the Tobacco Control Section and the Maternal and Child Division (Perinatal Outreach Activities).

**Description:** The Board of Supervisors previously approved legislation authorizing the DPH to accept and expend a State grant in the amount of \$2,127,666 for the Tobacco Control Plan, for the two and one-half year period from January 1, 1992 through June 30, 1994 (File 146-92-46). At the same time, the Board also approved legislation authorizing the adoption of the 1992-94 Comprehensive Tobacco Control Plan and Budget and the Perinatal Outreach Plan and Budget (File 146-92-45). Of the \$2,127,666 authorized, an amount of \$863,831 was placed on reserve pending the identification of contractors, the determination of the MBE/WBE status of the contractors and the finalized contract cost details.

Subsequently, the Board of Supervisors approved legislation a) authorizing DPH to accept and expend an augmentation allocation of \$1,129,305 (File 146-92-46.2) and b) adopting the augmented 1992-94 Comprehensive Tobacco Control Plan and Budget and the Perinatal Outreach Plan and Budget (File 146-92-45.1). Of the \$1,129,305 authorized, an amount of \$562,327 was placed on reserve pending the identification of contractors, the determination of the MBE/WBE status of the contractors and the finalized contract cost details. Thus, of the total \$3,256,971 grant allocation (\$2,127,666 plus \$1,129,305), an amount of \$1,426,158 (\$863,831 plus

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\$562,327) was placed on reserve pending the identification of the contractors, the determination of the MBE/WBE status of the contractors, and finalized contract cost details.

Through a request for proposal process, the DPH has selected the National Latina Health Organization (\$40,000) to develop and implement a "Girls Against Tobacco Campaign" which involves recruiting and training female youth to select, plan, and promote a tobacco free event (File 146-92-46.14).

The DPH is also requesting to modify the contract of the San Francisco Mime Troupe (\$8,000) in order to add an additional actor, and to perform four additional performances of a musical comedy promoting a tobacco free message in the public schools (File 146-92-46.15). The Government Efficiency and Labor Committee previously released \$80,000 (File 146-92-46.9) to fund 15 performances of the San Francisco Mime Troupe. The DPH is also requesting to modify the contract of the American Lung Association of Solano/Contra Costa County (\$8,353) to extend the funding period (for two and a half months through June 30, 1994) to provide technical assistance to worksites in the implementation of smokefree policies in compliance with Article 19E of the Health Code (146-92-46.16). The Government Efficiency and Labor Committee previously released \$84,860 (File 146-92-46.4) to the American Lung Association to promote smokefree worksites through on-site consultations, educational mailouts and employee seminars.

Budgets:                      National Latina Health Organization- "Girls Against Tobacco Campaign"

<u>Salaries and Benefits</u>	<u>FTE</u>	
Executive Director	.10	\$4,000
Project Coordinator	.20	6,400
Administrative Assistant	.10	2,080
Outreach Worker	.40	10,400
Total Salaries	.80	\$22,880

Fringe Benefits	3,952
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Total Salaries and Benefits	\$26,832
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Operating Expenses

Insurance	\$1,675
Office Supplies	651
Duplicating	495
Telephone	80

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Travel	\$210
Property rental	1,320
Events (costs for location, publicity, organization, refreshments, decorations)	3,257
Bookkeeper	480
Equipment rental	3,000
Auditor	<u>2,000</u>
Total Operating Expenses	<u>13,168</u>

Total Budget		\$40,000
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**San Francisco Mime Troupe**

Salaries & Benefits

Additional Actor (10 weeks at @ \$300 per week)	\$3,000
Five existing actors and two musicians (1 week @ \$300 each)	<u>2,100</u>
Total Salaries	<u>\$5,100</u>

Fringe Benefits	<u>1,724</u>
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Total Salaries & Benefits	\$6,824
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Operating Expenses

Light rental	250
Printing Costs	220
Other production expenses	250
Costume materials for additional actor	240
Rent and Utilities	<u>216</u>

Total Operating Expense	<u>\$1,176</u>
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Total Budget		8,000
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**American Lung Association**

<u>Salaries &amp; Benefits</u>	<u>FTE</u>	
Program Director	.07	\$3,070
Project Associate	<u>.07</u>	<u>2,341</u>
Total Salaries	.14	\$5,411

Fringe Benefits	<u>1,353</u>
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Total Salaries and Benefits	\$6,764
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Operating Expenses

Facilities	\$245
Supplies	100
Equipment Lease	125
Travel	319
Phone	200
Postage	50
Duplication	100
Financial Audit	78
Administrative Overhead	<u>372</u>

Total Operating Expenses	\$1,589
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Total Budget	<u>\$8,353</u>
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Total amount requested for release (All three projects)	\$56,353
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**Recommendation:** Approve the requested release of reserved funds in the amount of \$56,353, as follows:

National Latina Health Organization (File 146-92-46.14)	\$40,000
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San Francisco Mime Troupe (File 146-92-46.15)	8,000
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American Lung Association (File 146-92-46.16)	<u>8,353</u>
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Total	\$56,353
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Item 1k - File 144-93-3.1

**Department:** Port of San Francisco

**Item:** Request to release reserved funds for preliminary design and financial feasibility services for the Historic Renovation of the Ferry Building.

**Amount:** \$417,000

**Source of Funds:** U.S. Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA), through the California Transportation Commission (CTC)

**Description:** In May of 1993, the Board of Supervisors approved Resolution No. 395-93 authorizing the Port to apply for retroactively, accept, and expend \$1,000,000 to conduct planning and environmental studies for the renovation of the Ferry Building. The Board of Supervisors reserved the \$1,000,000 pending selection of the contractor and determination of the contractor's MBE/WBE status.

The Port has selected the firm of James Stewart Polshek and Partners, Inc., to perform the Preliminary Design and Financial Feasibility Services for the renovation of the Ferry Building through a Request-for-Proposal (RFP) process, for the price of \$417,000. Attachment I to this report shows the results of the RFP process, along with the disadvantaged business enterprise (DBE) percentages and the range of hourly rates. Attachment II shows James Stewart Polshek and Partners, Inc., each of its selected subcontractors, the role of each subcontractor in the project, MBE/WBE status, and hourly billing rates.

**Comment:** 1. Ms. Veronica Sanchez of the Port reports that the Port has not received authority from Caltrans to accept or expend the \$1,000,000 requested grant, but the Port expects to receive such authority in the near future and desires to immediately proceed on the Project as soon as the authority from Caltrans is received.

2. Mr. Paul Osmundson, the Port's Project Manager for the renovation of the Ferry Building, reports that although James Stewart Polshek and Partners, Inc., did not offer the lowest price for the work to be performed on the project, the firm was selected because it was the most qualified based on all of the criteria established in the RFP.

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3. Ms. Sanchez further reports that the Port is requesting that this request for release of reserved funding be increased by \$39,000, or from \$417,000 to \$456,000 to fund the cost of developing a market/feasibility report as a part of the preliminary design and financial feasibility phase of the project. Ms. Sanchez states that the market/feasibility report would be distributed to potential commercial developers to attract investment in the total renovation of the Ferry Building, which is estimated to cost a total of \$80 million. The task statements and consultants selected by the Port to develop the market/feasibility report are shown in Attachment III to this report.

4. If the \$456,000 is released, the balance of \$544,000 (\$1,000,000 less \$456,000) will continue to remain on reserve.

Recommendation: Approve the release of reserved funding in the amount of \$456,000, as requested by the Department.

**PROPOSALS SUBMITTED  
FERRY BUILDING HISTORIC RENOVATION  
PRELIMINARY DESIGN AND FEASIBILITY SERVICES**

Rank	Lead Consultant	% of Team DBE *	Bid Amount	Range of Hourly Rates **
1	James Stewart Polshok and Partners	30.5%	\$417,000	\$30 - \$195
2	Sklmore Owings and Merrill	34.0%	\$564,037	\$55 - \$160
3	Simon Martin-Vague Winkelstein Moris	31.2%	\$419,098	\$23 - \$135
4	Kaplan McLaughlin Diaz	44.0%	\$404,383	\$75 - \$145
5	Esherlick Homsey Dodge and Davis	36.0%	\$629,540	\$24 - \$216
6	Fisher Friedman/Benjamin Thompson	30.0%	\$399,000	\$25 - \$150
7	Heller and Leake Architects	50.1%	\$399,705	\$24 - \$165
8	ELS/Elbasani and Logan Architects	43.0%	\$400,000	\$50 - \$120
9	Hardy Holzman Pfeiffer Associates	30.0%	\$549,570	\$30 - \$225
10	Gensler and Associates	44.0%	\$490,384	\$30 - \$200
11	Group 4 Architecture	39.0%	\$397,000	\$30 - \$200
12	Bull Stockwell Allen & Ripley	44.5%	\$400,000	NA
13	ED2 International	53.0%	\$397,606	\$24 - \$200
14	Barker Pacific	36.0%	\$400,000	\$100

\* Since this contract is federally funded (by the U.S. Dept. of Transportation), no local preference was applied, and all certified Disadvantaged Business Enterprises (DBE) counted towards the DBE goal of 30%. All San Francisco HRC certified MBEs and WBEs automatically counted towards the goal.

\*\* Some of the hourly rate ranges included clerical work and others do not. The hourly rates were not specifically broken out in one proposal.

**FERRY BUILDING HISTORIC RENOVATION  
PRELIMINARY DESIGN AND FEASIBILITY SERVICES**

<u>Team Member</u>	<u>Role in Project</u>	<u>MBE/WBE</u>	<u>Hourly Billing Rates</u>
James Stewart Polshek	(Prime) Architectural Design	No	\$ 55 - \$150
Keyser Marston	Real Estate Economics	No	\$ 45 - \$140
Roma Design Group	Site Design	No	\$ 50 - \$140
Cervantes Design Associates	Architectural Project Manager	MBE/WBE	\$ 65
Mancini & Company	Development Consulting	No	\$ 150
Architectural Resources Group	Historic Preservation	No	\$ 55 - \$90
Peter Walker	Landscape Architecture	No	\$ 95 - \$195
Pittman & Hames Associates	Transit Operations/ Community Surveys	MBE/WBE	\$ 30 - \$95
Korve Engineering	Transportation Engineering	No	\$ 80 - \$155
Don Todd Associates	Cost Estimating	MBE	\$ 80
Forrell/Elsesser Engineers	Structural Engineering	No	\$ 75 - \$125
Faye Berstein & Associates, Inc.	Structural Engineering	MBE	\$ 75 - \$125
Moffatt & Nichol Engineers	Coastal Engineering/ Substructure	No	\$ 56 - \$140
Takahasi Consulting Engineers	Mechanical/Electrical Engineering	MBE	\$ 65 - \$111
<b>Total</b>			<b>\$ 30 - \$195</b>
Original Proposal	\$417,000		
Total Hours	4,270		
Average Rate Per Hour	\$ 97.66		
MBE/WBE Percentage	30%		

PORT OF SAN FRANCISCO

MEMORANDUM

TO: Stan Jones, Budget Analyst  
Board of Supervisors

FROM: Veronica Sanchez, Manager  
Legislative Affairs & Communications (274-0413)

RE: BREAKDOWN OF COSTS FOR MARKET/FEASIBILITY REPORT: Ferry  
Building Restoration Project (\$39,000 augmentation to  
originally request of \$417,000)

Market Evaluation

Mary Henderson (MBE) (\$65.00/hr @ 230 hours) \$15,000

Task: Collect market data on market opportunities for Ferry Building's potential uses (i.e. retail, office space, convention, entertainment conference facilities). Evaluate capacity of built improvements at Ferry Building and determine how they can physically, financially and legally accommodate those uses.

Product: A summary analysis, models that help define the alternatives for reuse of the building based on market opportunities.

Keyser-Marsten (\$100/hr @ 24 hrs) \$24,000

Task: Prepare financial model to estimate project's total cost and the ability to support costs from a variety of sources (including private investment, rental, income, bonds, grants. Write financial report targeted at commercial investors.

Product: Report to be distributed to potential private investors for purpose of attracting \$35-\$40 in investments for building restoration.



Item 2 - File 97-93-66

**Note:** This item was continued at the January 4, 1994 Government Efficiency and Labor Committee meeting.

1. This item is an ordinance to amend the City's Administrative Code by adding Chapter 22C to create a Communications Regulatory Commission and repealing Sections 11.40, 11.41, 11.42, 11.43, and 11.44 concerning the Telecommunications Policy Committee.

2. In the Fall of 1992, to foster competition in the cable television industry and to ensure that cable rates are reasonable, Congress passed the Cable Television Consumer Protection and Competition Act of 1992 (Cable Act). The purpose of the Cable Act is to authorize the Federal Communications Commission (FCC) and local authorities to regulate basic cable television services, thereby establishing appropriate price benchmarks and reducing entry barriers for new cable television companies. In the Spring of 1993, the FCC released regulations detailing the implementation of the Cable Act with regard to rates and related regulatory issues. The FCC has followed these regulations with several revisions and clarifications and has stated that there will be continuing proceedings on this subject.

3. In accordance with requirements of the Cable Act, in July of 1993, the City and County of San Francisco, submitted a certification application to the FCC, and is now eligible to regulate the lowest level of cable television service, basic cable. Higher levels will be regulated by the FCC. In San Francisco, cable television services are provided by Viacom Cablevision, Inc. (Viacom). Viacom calls its basic cable television services Limited Cable, which includes commercial network broadcasters, access channels, C-SPAN, and other channels. Viacom currently charges \$13.28 per month for Limited Cable services. The City must regulate Viacom Cable in accordance with certain complex pre-set formulas determined by the FCC, which has established these formulas based on the operating cost per channel. Installation rates, equipment charges, and additional outlet fees may also be regulated by the City according to preset formulas based on Viacom's costs for providing these services.

4. In accordance with the Cable Act, the proposed ordinance would establish a local Communications Regulatory Commission (the Commission) to regulate cable television basic service rates, equipment and customer services. As previously stated, the FCC is responsible for regulating all other, higher level rates for cable television service. The proposed Commission would consist of nine members, one member would be appointed by the Mayor and eight members would be appointed by the Board of Supervisors. Eight members of the proposed Commission would consist of: one licensed broadcast engineer with expertise in telecommunication; one Certified Public Accountant; one attorney; one consumer representative; one educator; one labor representative; and two members representing the public interest. The proposed ordinance does not include any requirement for specific qualifications of the ninth Commission member. Organizationally, the Commission would be under the Board of Supervisors.



5. Members of the proposed Commission would not be compensated nor would they receive reimbursement for expenses.

6. The proposed ordinance would repeal Sections 11.40 through 11.44 of the City's Administrative Code that established the Citizen's Telecommunications Policy Committee (CTPC). The CTPC was established in 1980 to consider cable television issues, to review the cable services provided by the cable television franchisee and to recommend changes in the franchise agreement. Organizationally, the CTPC is under the Board of Supervisors. The proposed Communications Regulatory Commission would effectively replace the CTPC.

7. The proposed ordinance would also establish a special fund entitled the Communications Regulatory Commission Fund which would be a depository for Purveyor Fees, or a portion of the City's Franchise Fees. In addition to establishing a special fund, the proposed ordinance would appropriate \$200,000 annually from the Franchise Fee revenues to this special fund for the purposes of paying staff and other expenses incurred by the proposed Commission. According to the proposed ordinance, the Board of Supervisors would appropriate a minimum of \$200,000 each year to the Communications Regulatory Commission Fund.

8. The proposed ordinance designates an Executive Director as a paid staff person to the Communications Regulatory Commission to serve as the liaison between the cable television operators (Viacom and any other franchisees that the City may authorize) and the various City departments, to supervise other paid staff to the Commission and to assist the proposed Commission in the performance of its duties. The proposed ordinance does not specify the number or duties of other paid staff (other than the Executive Director) to the Commission.

### Comments

1. In compliance with Viacom's franchise agreement with the City, Viacom pays a franchise fee of five percent of its gross receipts to the City, amounting to approximately \$3.2 million annually. 96 percent of the Franchise Fee revenue is deposited into the City's General Fund and the remaining four percent is deposited into the City's Cable Television Access and Development Fund for public, educational and municipal access activities. According to Mr. John Madden of the Controller's Office, because 96 percent of the Franchise Fee revenue is deposited into the General Fund, appropriations of Franchise Fee revenues to the proposed Communications Regulatory Commission Fund would reduce the General Fund by a commensurate amount.

2. As previously stated, the proposed ordinance would appropriate \$200,000 from the Franchise Fee revenues to the proposed Communication Regulatory Commission Fund. According to Mr. Madden, the appropriation of \$200,000 to the proposed Communication Regulatory Commission Fund would require a separate supplemental appropriation ordinance. Such an appropriation ordinance should be drafted by the Clerk of the Board of Supervisors and submitted to the Mayor's Office for approval and to the Controller's Office for certification of the availability of funds. Thus, the proposed ordinance should be amended to delete lines 22 through



24, in Section 22c.4, subsection (b), "The Board of Supervisors hereby appropriates \$200,000 to the Communications Regulatory Commission Fund." The title of subsection (b) should also be amended to read "Sources and Uses of Monies", instead of "Source and Appropriation of Monies."

3. In addition, the Civil Service Commission should be requested to establish an Executive Director position for the proposed Commission before the Board of Supervisors appropriates monies to fund this position. A separate ordinance to amend the Annual Salary Ordinance would be necessary to create the new Executive Director position.

4. As of the writing of this report, a budget for expenditure of the \$200,000 for operating costs of the proposed Communications Regulatory Commission has not been finalized.

5. The January 19, 1994 Government Efficiency and Labor Committee calendar indicates that the Chair may entertain a motion to continue this ordinance.

### **Recommendations**

Approval of the proposed ordinance is a policy matter for the Board of Supervisors. If the Board of Supervisors approves the proposed ordinance, amend the proposed ordinance as detailed in Comment 2, above, to delete lines 22 through 24, in Section 22c.4, subsection (b), "The Board of Supervisors hereby appropriates \$200,000 to the Communications Regulatory Commission Fund." The title of subsection (b) should also be amended to read "Sources and Uses of Monies", instead of "Source and Appropriation of Monies."



Item 3 - File 93-93-16

**Note:** This item was continued at the Government Efficiency and Labor Committee meeting of January 4, 1994.

**Department:** Mayor's Office - Employee Relations Division

**Item:** Resolution ratifying the Memorandum of Understanding (MOU) with Bricklayers Local Union No. 3 and the Hod Carriers Local Union No. 36.

**Description:** The various issues of hours and other terms and conditions of employment governed by the Salary Standardization Ordinance, as they concern bricklayers of Local Union No. 3 (formerly, Local Union No. 7) and hod carriers of Local Union No. 36, conform to the existing MOU between the City and Local Union No. 3 and Local Union No. 36. The terms of the subject four-year MOU covering Fiscal Years 1993-94, 1994-95, 1995-96, and 1996-97 (July 1, 1993 through June 30, 1997) are not binding until the MOU is formally adopted by the Board of Supervisors. The MOU between the City and Local Unions No. 7 and No. 36 that preceded the subject MOU covered the three-year period of July 1, 1990, through June 30, 1993 (FYs 1990-91, 1991-92, and 1992-93). The proposed MOU on file with the Clerk of the Board of Supervisors is identical to the FY 90-91 through FY 92-93 version with the exception that the prior MOU includes a brief appendix clarifying the intent of the MOU regarding the disposition of material relating to disciplinary actions in an employee's personnel file. The proposed MOU contains no amendments to the monetary provisions of the previous MOU.

**Comments:** As previously cited, the proposed MOU is identical to its predecessor, with the one noted exception. Mr. William Gill of the Employee Relations Division (ERD) reports that the unions and ERD agree that the appendix regarding the disposition of material relating to disciplinary actions in an employee's personnel file is no longer required.

**Recommendation:** Approval of the Memorandum of Understanding between the City; Bricklayers Local Union No. 3 and Hod Carriers Local Union No. 36 is a policy matter for the Board of Supervisors.



Item 4 - File 97-93-68

**Department:** Department of Parking and Traffic (DPT)

**Item:** Ordinance amending Article VIII of Chapter 2 of the Administrative Code, "Temporary Use or Occupancy of Public Streets," by amending Sections 2.70, 2.70-1, 2.70-2 and 2.70-6 thereof, which establish the procedures for temporary street closings, by amending the fee for filing applications for street closing, by designating the Director of Parking and Traffic as the person to consider preliminary appeals of decisions of the Interdepartmental Staff Committee On Traffic and Transportation (ISCOTT) granting or denying applications for street closing permits (retaining a final appeal to the Board of Supervisors), by eliminating the late application provisions and the policy absolutely limiting the number of major events to be scheduled at the same time, by increasing the fee charged by the Municipal Railway for reimbursement of costs, and by otherwise modifying the process for consideration of these applications.

**Description:** The proposed ordinance would amend the following Sections of Article VIII:

Section 2.70. Interdepartmental Staff Committee on Traffic and Transportation (ISCOTT).

- Establishes the Department of Parking and Traffic (DPT) as a member of ISCOTT;
- Provides that the Director of DPT serve as Chair of ISCOTT in lieu of the Director of Public Works.

Section 2.70-1. Request For Permission for Temporary Use or Occupancy of Public Streets; Procedure.

- Provides that applications for the temporary use or occupancy of a public street be filed on a form provided by the Director of the DPT, in lieu of the Director of Public Works;
- Rather than rejecting applications for street closure or occupancy when filed less than 60 days before an event, provides the following schedule of application filing fees:

At least 60 days	\$80
Fewer than 60 days	\$140
Fewer than 30 days	\$180
Fewer than 7 days	\$250

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- Provides that applications filed with fewer than seven days remaining before the requested date of the street closing be rejected, except when an extraordinary emergency exists. The Director of DPT shall consider such requests if the applicant has demonstrated that an extraordinary emergency exists and provided that there is adequate time available for the Director of DPT to conduct the required public hearing and post notice of the scheduled hearing at least 24 hours in advance of the proposed street closing or occupancy. Further, the Mayor's Film and Video Art Commission may file an application within seven days of the requested street closing and such application may be considered provided that there is adequate time available for the Director of DPT to conduct the required public hearing and post notice of the scheduled hearing at least 24 hours in advance of the hearing. The Film Commission would be required to notify residents, merchants, and other occupants of the public street to be closed of the dates proposed for the street closure, and would also be required to notify any and all affected City departments;
- Specifies that applicants be responsible for posting notice of required public hearings at least seven days prior to the public hearing at which the application will be considered by ISCOTT;
- Provides that ISCOTT, in reviewing an application for a temporary street closing, shall consider the following:
  1. The number of major events scheduled during the period for which the applicant seeks a permit, the nature and location of the major events, and the demand these major events would have on the City's resources, including its police, emergency, and sanitation personnel;
  2. In considering the major events for which applications have been filed or approved, ISCOTT should give priority based on the chronological order in which the applications are received. Applicants denied permission because there are too many major events already approved or pending approval would be offered alternative dates;
  3. ISCOTT may, in its discretion, grant preference to recurring events traditionally or historically associated with a particular day or dates, provided that applications, once approved, cannot be revoked because of the subsequent filing of an application for a permit for an event



traditionally or historically associated with a particular day or dates;

4. If the application is related to a filming project, ISCOTT shall consider such conditions and criteria as the Film Commission may attach to the application.

- Provides that notice of ISCOTT's action of approval or disapproval of an application be submitted to the heads of various City departments rather than to the Board of Supervisors;
- Provides that the first appeal of disapproved applications be made to the Director of DPT, in lieu of the Board of Supervisors. In considering an appeal, the Director shall conduct a public hearing for which notice shall be posted at least 72 hours in advance of the hearing at the DPT, the Main Library, and at the Office of the Clerk of the Board of Supervisors. Upon hearing the appeal, the Director of DPT may affirm, reverse, or modify the ISCOTT decision;
- Provides a process for applicants to submit a subsequent appeal to the Board of Supervisors, if the first appeal is denied by the Director of DPT. The Board of Supervisors may establish a fee to be imposed upon the filing of any such appeal. The Board of Supervisors may affirm, reverse, or modify the Director's decision, and the decision of the Board of Supervisors is final;
- Provides a process for consideration of applications filed for a proposed temporary use or occupancy fewer than 30 days prior to the date of the proposed date, and not far enough in advance of the proposed date to allow ISCOTT to consider the application. In such instances, the Director shall consider and approve or disapprove the application after consulting with members of ISCOTT. The Director would be required to conduct a public hearing for which notice shall be posted at least 24 hours in advance of the hearing. In the event the Director disapproves the application, the applicant would have the right to appeal the Director's decision to the Board of Supervisors.

Section 2.70-2. Major Events Defined. (Current title is "Special Procedures For Major Events")

- Does not change the definition of "Major Events," but deletes the policy of not approving more than two applications for major events within any one 24-hour period.

Section 2.70.6. Temporary Use of Streets for Street Fairs.

- Identifies the Director of DPT, in lieu of the Director of Public Works, for primary responsibility concerning the temporary use of streets for street fairs;
- While retaining a basic street fair application fee of \$80, increases the late fee for such applications to an additional \$80 (total of \$160) from the current additional fee of \$40 (total of \$120). Late fees are assessed for applications submitted later than 90 days prior to the proposed date of the event, but with at least 60 days remaining before the date of the event. The DPT would continue to deny consideration of applications for street fairs submitted with less than 60 days remaining prior to the proposed date of the event;
- Specifies that fees collected by the City for street fairs include costs for providing related services, in addition to the direct costs of closing streets;
- Increases the Municipal Railway portion of fees for street closures related to street fairs by \$1.58 per electrically powered vehicle hour per line affected, from \$4.42 to \$6.00 per electrically powered vehicle hour per line affected. Vehicle hour is defined as the number of hours each coach on a line is in operation during the day of the event;
- Retains the policy of appeal to the Board of Supervisors if a permit to conduct a street fair is denied; however, specifies that the Board of Supervisors may establish a fee to be imposed upon the filing of any such appeal;
- Provides that the Director of DPT, in addition to the Chief of Police as currently provided, shall submit to the Board of Supervisors no later than December 1<sup>st</sup> of each year a written report setting forth in detail the costs of the Police Department and the DPT.

**Comments:**

1. Mr. Harvey Quan of the DPT reports that the proposed amendments to the provisions governing temporary use or occupancy of public streets were requested by the Board of Supervisors and the Mayor's Film and Video Art Commission in order to develop an efficient mechanism for processing applications for temporary street closings that are not filed in a timely manner (at least 60 days in advance of the date for general street closings and 90 days in advance of the date for street fairs).

2. The existing provisions governing temporary use or occupancy of public streets for general street closings (those other than for street fairs) require that applications filed less than 60 days prior to the event be denied by ISCOTT. In such instances, applicants may appeal to the Board of Supervisors to demonstrate that compliance with the 60-day deadline was impractical or impossible due to the nature of the event. Following consultation between the Clerk of the Board of Supervisors and ISCOTT members on the merits of the application, the application is then considered by the Board of Supervisors, without a public hearing by either ISCOTT or a committee of the Board of Supervisors. Mr. John Taylor, Clerk of the Board of Supervisors, reports that the implementation of the requirements of the recently adopted "Sunshine Ordinance" severely restricts actions by the Board of Supervisors on such late applications.

3. Mr. Quan reports that approximately 180 applications for temporary street closings are filed with the DPT annually, with approximately one-third or 60 of the applications filed less than 60 days prior to the event. Thus, the annual revenue generated by the approximately 180 applications is approximately \$14,400 (\$80 multiplied by 180 applications).

4. Mr. Quan further reports that the estimated additional fees proposed in this legislation would generate between \$3,600 to \$10,000 in additional revenue, per year, based on 60 late applications per year.

**Recommendation:** Approval of the proposed ordinance is a policy matter for the Board of Supervisors.



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Item 5 - File 27-93-21

**Department:** San Francisco International Airport

**Item:** Ordinance approving the Boarding Area "A" Retail Concession Lease A-1 between the Charnel Company, Inc., and the City and County of San Francisco, acting by and through its Airports Commission.

**Lease Amount:** An annual minimum of \$623,000 (adjusted annually by the Consumer Price Index) or 20% percent of gross receipts, whichever is greater, to be paid by Charnel Company, Inc.

**Lease Period:** Three years with up to a one year extension, commencing upon approval of the proposed ordinance.

**Description:** Under the proposed lease, the Charnel Company, Inc. would operate two general news and gift shops at Boarding Area "A", located in the South Terminal.

The four bidders for the proposed lease, and the amounts bid are as follows:

<u>Bidders</u>	<u>Minimum Annual Amount</u>
Charnel Company, Inc.	\$623,000
California Shop	501,888
Kass Management Systems	500,000
California Catch and Carry	416,000

Charnel Company, Inc., an MBE firm, was selected as the highest responsive and qualified bidder. Charnel Company, Inc. would pay to the Airport the sum of \$623,000 annually, adjusted each year for the Consumer Price Index (CPI) or 20 percent of gross receipts, whichever is greater.

**Comments:** 1. The Airports Commission adopted Resolution No. 93-0250 on December 7, 1993, awarding the proposed lease to the Charnel Company, Inc.

2. Mr. Bob Rhoades of the Airport reports that Charnel Company, Inc. is currently operating under a month-to-month permit (paying 20% of gross revenues), pending approval of the proposed ordinance by the Board of Supervisors.

3. Host International previously operated a master lease for retail concessions in Boarding Areas "A", "B" and "C", in the South Terminal. According to Mr. Rhoades, in order to encourage MBE and WBE participation, the Airport is providing only areas "B" and "C" to Host International as a principal concessionaire, and dividing Boarding Area "A" into two smaller leases, as Small Business Enterprise Set-Asides. The Board of Supervisors previously approved (File 62-93-3) a lease with Host International for retail concessions in Boarding Areas "B" and "C". The Airports Commission subsequently leased a portion of Boarding Area "A" to Marilla Chocolate Company (WBE), which was not subject to Board of Supervisors approval (because the term of the lease of three years at \$235,000 a year, which equals \$705,000, does not exceed the \$1.0 million threshold as provided in the City Charter). The proposed lease would award the remaining portion of Boarding Area "A" to the Charnel Company, Inc.

4. Mr. Rhoades reports that the actual amount paid by Host International under the master lease for Boarding Areas "A", "B" and "C" in FY1992-93 was \$3,218,000, generating \$11,242,526 in gross revenues. Mr. Rhodes advises that under the three new leases, the aggregate minimum annual amount paid will be \$3,417,000, based on \$12,366,778 in gross revenues, for the first year of these new leases. The three new leases are therefore anticipated to generate an annual minimum of \$199,000 in additional revenue for the City.

Recommendation: Approve the proposed ordinance.



Item 6 - File 30-93-23

**Department** Department of Public Health (DPH)

**Item:** A draft resolution authorizing an amendment to the AB 75 Capital Outlay Plan for the City and County of San Francisco to (1) add two San Francisco General Hospital (SFGH) projects, (2) revise six SFGH projects, (3) revise one Health Center project budget, (4) revise the Tom Waddell Clinic project (5) authorize expenditure of up to \$248,747, including up to \$139,058 of interest, on hospital AB 75 Capital Outlay funds for SFGH and up to \$109,689 of interest on non-hospital AB 75 Capital Outlay funds for DPH, CPHS for capital improvement projects and (5) reallocate un-spent funds from completed hospital and non-hospital projects.

**Amount:** \$248,747

**Source of Funds:** AB 75 Capital Outlay Funds

**Description:** The Board of Supervisors previously approved legislation (File 146-91-4) authorizing the DPH to adopt the AB 75 Capital Outlay Plan and authorizing the DPH to expend the grant allocation of \$3,991,643 from the AB 75 Capital Outlay Fund for County and private hospital and non-hospital capital improvement purposes including facility repairs, renovation, remodeling, expansion, acquisition and equipment needs. The State requires that no less than 33 percent be allocated to non-hospital facilities, including outpatient clinics, mental health facilities, public health clinics and community-based or free clinics. The DPH is now proposing to amend the Capital Outlay Plan as outlined below:

**Addition of two SFGH Projects**

**(1) Gastroenterology Clinic Renovation** **\$100,000**

This project involves (1) conversion of an existing Nurses Lounge/Conference room into a Patient Waiting area, (2) improvements to the ventilation system in six existing patient rooms to accommodate code requirements for their conversion to an Outpatient Procedure Room, and (3) upgrading certain sections of the facility to meet Federal requirements.

The DPH reports that the Gastroenterology Clinic at SFGH is out of compliance with Federal Title 22 standards for patient care and staff safety. According to the DPH, patients

recuperating from clinic procedures are currently placed on gurneys in hallways during recovery. The DPH advises that as the patient population has increased, the hallways have become congested and it is becoming increasingly difficult to maneuver contaminated equipment through the clinic.

**(2) Dialysis Elevator**

**\$90,000**

The DPH reports that this elevator was originally installed in Building 100 in approximately the year 1915 as a freight elevator and has only been upgraded once since that time. According to the DPH this elevator serves as the principal route of access for acute dialysis patients at SFGH. The DPH advises that the elevator is currently unreliable and unacceptable for use by disabled/physically challenged individuals. The planned renovation of this elevator would include new door operators, lowered car and hallway call stations and general repairs to improve the elevator's reliability and accessibility.

**Revision of Six SFGH Projects**

**(1) Nursery Renovation**

**(\$176,803)**

The DPH's estimated Cost for the Nursery Renovation project is approximately \$1,500,000. The DPH had originally planned for the entire \$1,500,000 to be paid for by the AB 75 Capital Outlay funds. However, according to the DPH, the Department is now proposing to use only \$1,323,197 in Capital Outlay funds with the balance of \$176,803 to be provided from SFGH operating funds to pay for this project. Therefore, the Capital Outlay Plan funds can be reduced by \$176,803 for this project. This renovation project involves the expansion and reconfiguration of the SFGH nursery.

**(2) Pharmacy Patient Access Window**

**\$19,000**

This project was originally budgeted for \$62,000. The DPH now estimates that this project will cost \$81,000 or \$19,000 more than the original projected amount of \$62,000. According to the DPH, an unanticipated delay in the start-up of the project, along with other unanticipated changes in the scope of the project, resulted in the increased costs. The DPH reports that construction of the patient access window in the Main Outpatient Pharmacy will permit proper patient counseling and prescription dispensing.

**(3) TB Rooms - Ventilation Upgrade** **\$39,058**

This project was originally budgeted for \$280,000. The DPH now estimates that this project will cost \$319,058 or \$39,058 more than the original projected amount of \$280,000. According to the DPH, the increase is due to several changes in design which resulted in an expansion of the scope of this project. This project will upgrade eight regular patient rooms for use as designated TB rooms by altering the ventilation system to accommodate patients with TB.

**(4) Psychiatric Seclusion Rooms** **\$10,000**

This project, which would renovate one existing seclusion room and create an additional seclusion room, was originally budgeted for \$50,000. The DPH now estimates that this project will cost \$60,000 or \$10,000 more than the original amount budgeted. The DPH advises the increased costs are the result of an expanded modification in the scope of the project.

**(5) Installation of Monitors** **(\$19,000)**

This project was originally budgeted for \$25,000 or \$19,000 less than the DPH's current estimate of \$6,000. The DPH advises that the estimated cost of the project has decreased because the scope of the project was reduced. The DPH is now proposing to install 18 patient monitors, which monitor the condition of the patient, in SFGH's Ward 5R at an estimated cost of \$6,000.

**(6) Transition Nursery** **\$76,803**

This project consists of remodeling Ward 6A at SFGH to accommodate a temporary pediatric nursery during the construction of the Main Hospital Nursery. The work includes electrical, mechanical and architectural work to meet the requirements for a nursery. This project was originally budgeted at \$185,419. The DPH now estimates that this project will cost \$262,222 or \$76,803 more than the original budget of \$185,419. According to the DPH, the increase is due to unforeseen State requirements and an expanded project scope.

**Revise one Heath Center Project**

**Telephone Conversion at Health Centers (\$40,000)**

This project was originally budgeted for \$430,000. The DPH now reports that the estimated cost for this project is \$390,000 or \$40,000 less than the original budgeted amount of \$430,000. This project involves replacing an obsolete telephone system at seven DPH health centers. The DPH reports that the estimated budget for this project has decreased because the Department now estimates that the project can be completed at the lower cost of \$390,000.

**Revise the Tom Waddell Clinic Project**

**Tom Waddell Clinic Renovation/Expansion \$149,689**

The DPH advises that the \$187,620 represents a portion of the total estimated cost of approximately \$600,000 for this project. The additional \$149,689 will bring the total amount available for this project under the Capital Outlay funds to \$337,309. This project involves the renovation and expansion of the Tom Waddell Clinic. Specific work to be performed on this project includes, the creation of five new primary care rooms, the renovation of the existing waiting room into a room for patient treatment services, asbestos abatement, conversion of a small garage area into a waiting room and removal of an underground gasoline storage tank located below the area of the proposed waiting room.

**Net Cost of Proposed Amendments to  
AB 75 Capital Outlay Plan \$248,747**

**Comments**

1. Mr. Jeff Leong of the DPH reports that the AB 75 Capital Outlay funds are deposited into a trust fund, as required by the State. Mr. Leong advises that State regulations require that all interest earned on the AB 75 Capital Outlay funds be expended on capital projects.
2. Mr. Eric Miller of the SFGH advises that SFGH has selected Millar Elevator a firm which has an on-going elevator repair contract with SFGH, to perform the necessary construction and repair in connection with the new Dialysis Elevator project. According to Mr. Miller, Millar Elevator is not an MBE or a WBE firm. Mr. Miller reports that the work to be performed in connection with the Gastroenterology Clinic Renovation project will be performed partially in-house

and partially by an outside contractor. Mr. Miller advises that a contractor for this project has not, as yet, been selected. Mr. Miller states additionally, that a detailed budget for the work to be performed in-house has not yet been prepared. Therefore, the proposed \$100,000 earmarked for the Gastroenterology Clinic Renovation project should be placed on reserve pending the submission of the budget details for the work to be performed in-house, the MBE/WBE status of the contractor and contract budget details.

**Recommendation:** Amend the proposed resolution to place \$100,000 on reserve for the Gastroenterology Clinic Renovation project, pending the submission of the budget details for the work to be performed in-house, the MBE/WBE status of the contractor and the contract budget details.





Item 7 - File 30-94-2

**Department:** Department of Public Health (DPH)

**Item:** Resolution authorizing the adoption of the County description of the proposed expenditure of California Healthcare for Indigents Program (CHIP) funds for fiscal year 1993-94, and that the Chairperson or duly authorized representative of the Board of Supervisors can certify the County description of the proposed expenditure of CHIP funds for fiscal year 1993-94.

**Description:** In October of 1989, the DPH began its implementation of State AB 75, the Proposition 99/Tobacco Tax Bill. State AB 75 created the California Healthcare for Indigents Program (CHIP) to provide counties with funds for the provision and expansion of health care services to medically indigent adults.

Local CHIP funds are used to reimburse participating county hospitals, and non-county hospitals, for inpatient, outpatient and emergency services and participating private physicians for emergency, obstetric and pediatric services, provided to indigent persons. The DPH advises that State regulations require that the City submit to the State, on an annual basis, a description of the proposed expenditure of the CHIP funds. The DPH reports for FY 1993-94, the City will receive an allocation totaling \$10,627,647 in CHIP funds as follows:

County Hospitals	\$6,899,862
Non-County Hospitals	581,166
Physician Services	725,898
Other Health Services	<u>2,420,721</u>
Total	\$10,627,647

San Francisco General Hospital (SFGH) has been designated as the City's recipient of those CHIP funds earmarked for County hospitals. For FY 1993-94, the total amount available for expenditure by SFGH is \$6,951,138 (\$6,899,862 plus \$51,276 from prior year interest). Under the DPH's proposed expenditure plan for these funds, \$6,464,289 or 93 percent would be allocated to pay for indigent health care services and \$486,849 or 7 percent would be used to pay for administrative costs directly related to the CHIP program.

The total amount available for expenditure for non-county hospitals is \$603,071 (\$581,166 plus \$21,905 from prior year interest). The DPH reports that under the Department's proposed expenditure plan, 49 percent or \$295,501 of the

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CHIP non-county hospital funds will be allocated to the City's ten local non-county hospitals on the basis of a formula. The remaining \$307,570 or 51 percent of these funds will be allocated by the DPH under a discretionary category. The formula allocation is based on the State Office of Statewide Health Planning and Development's (OSHDPD) uncompensated health care data, collected from all non-county hospitals statewide. Under State regulations all local non-county hospitals are entitled to, a share of the formula allocation based on each hospitals level of uncompensated health care costs.

The 51 percent balance of \$307,570 in CHIP discretionary funds are not required by State regulations to be allocated to all local non-county hospitals. Therefore, the DPH has the discretion to allocate these funds to one or more non-county hospitals for the provision of health care services to indigent persons, as it deems appropriate. However, DPH intends to allocate the \$307,570 by reimbursing all ten non-county hospitals and pay for associated costs as follows:

Non-county Hospitals*	\$275,606
Professional Services Contract:	
Medicus Systems Corporation (see Comment 1)	26,981
DPH Administrative Cost	<u>4,983</u>
Total	\$307,570

\* The ten non-county hospitals include (1) California Pacific Medical Center (California Campus), (2) California Pacific Medical Center (Pacific Campus), (3) Chinese Hospital, (4) Davies Medical Hospital, (5) Medical Center at the University of California, San Francisco, (6) Pacific Coast Hospital, (7) St. Francis Memorial Hospital, (8) St. Luke's Hospital, (9) St. Mary's Hospital and Medical Center and (10) University of California, San Francisco/Mt. Zion.

In accordance with State regulations, the DPH has established an Emergency Medical Services (EMS) account and a New Contracts Physician Services account for the receipt and deposit of the CHIP Physician Services funds. Of the \$725,898 allocated for physician services for 1993-94, \$613,898 or 84.6 percent would be deposited to the EMS account and \$112,000 or 15.4 percent would be deposited to the New Contracts Physician Services account.

DPH reports that the total amount available in the EMS account for FY 1993-94 is \$702,478 (\$613,898 plus \$88,580 in prior year interest). Under the DPH's proposed expenditure plan, the \$702,478 would be expended as follows;

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

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January 19, 1994 Government Efficiency and Labor Committee Meeting

Physician Services	\$641,088
Physician Contract Services	
Medicus Systems Corporation (see Comment 1)	38,901
DPH Administrative Costs	<u>22,489</u>
Total	\$702,478

The DPH advises that the total amount available in the New Contracts Physician Services account is \$128,161 (\$112,000 plus \$16,161 in prior year interest). The DPH's proposed expenditure plan provides for the expenditure of the \$128,161 as follows:

Physician Services	\$90,559
Child Health and Disability	
Prevention Treatment Services	26,402
DPH Administrative Costs	<u>11,200</u>
Total	\$128,161

According to the DPH, the total amount available under the CHIP Other Health Services category for FY 1993-94 is \$2,439,023 (\$2,420,721 plus \$18,302 in prior year interest). Under DPH's proposed expenditure plan, \$2,268,219 or 93 percent of the \$2,439,023 would be used to pay for inpatient, outpatient and emergency care services to indigent patients at SFGH and the remaining \$170,804 or 7 percent would pay for SFGH and DPH Central Administrative costs associated with the CHIP program.

**Comments:**

1. The DPH advises that it would continue to contract with Medicus Systems Corporation for the provision of fiscal intermediary services for the participating non-county hospitals and private physicians. These services include the receipt, processing and payment of claims in connection with the CHIP program. In addition to the fiscal intermediary services, Medicus Systems would continue to responsible for provider relations, information dissemination and data reporting, and would assist the DPH in the CHIP program management.

2. The DPH advises that the reason the proposed expenditure plan is being submitted to the Board of Supervisors at this time instead of at the beginning of the fiscal year is because the State did not submit guidelines to DPH for the preparation of the proposed expenditure plan until September of 1993.

**Recommendation:** Approve the proposed resolution.



Item 8 - File 97-93-46.1

1. The proposed ordinance would amend the San Francisco Administrative Code by amending Chapter 2, Article IX, Section 2.81 to clarify newspaper home delivery requirements for bidders for the City's official advertising contract.

2. Official advertising is divided into two categories: Category I is official advertising which must be published on two or more consecutive days or which must be published in accordance with Section 2.200 or 2.2021 of the Charter for special meetings of the Board of Supervisors and its standing or special committees and Category II is official advertising which is required by law to be published more than one time, but not more than three times a week.

3. For FY 1993-94, the San Francisco Examiner, as the lowest responsible bidder, is the provider for the Category I official advertising services (File 112-93-1). The Purchasing Department had originally selected the San Francisco Examiner as the lowest bidder for the provision of Category II official advertising as well as Category I official advertising for FY 1993-94. However, the Board of Supervisors did not approve the contract because the San Francisco Examiner was not delivering newspapers to all areas of the City. In order to address this issue, the Purchasing Department extended the existing contract for Category II official advertising services with the San Francisco Independent, on an interim basis, in order to allow the Purchasing Department time to re-bid with the new distribution requirements established by the Board for these services. The San Francisco Independent has been providing Category II official advertising services since July 1, 1990. The Purchasing Department advises that it anticipates that the bid process and a recommendation to the Clerk of the Board will be completed by February 23, 1994.

4. The proposed ordinance would amend Section 2.81 of the Administrative Code to (1) stipulate that both home delivery and same day mail delivery of the newspapers, which must be delivered at the same price, are acceptable methods of delivering newspapers which contain the City's official advertising and (2) provide that a prospective bidder must certify that if delivery is provided by same day mail service, that such service will be provided at a cost no greater than the cost charged by the bidder for traditional home delivery service.

**Recommendation**

Approval of the proposed ordinance is a policy matter for the Board of Supervisors.





Item 9 - File 327-93-1

1. This item is a hearing to consider the financial practices of the Medical Examiner/Coroner.

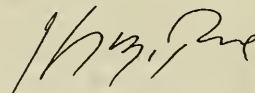
2. The Chief Medical Examiner/Coroner, as a part of his job responsibilities, serves as an expert witness for court cases in, as well as outside the City and County of San Francisco. The Board of Supervisors sets the fees to be charged by the Chief Medical Examiner/Coroner for providing expert witness testimony in courts outside of the City. Since the City pays the Chief Medical Examiner/Coroner's salary, which is currently \$142,245 annually, while he works on court cases in other counties, pursuant to Section 8.14 of the Administrative Code, any fees collected by the Chief Medical Examiner/ Coroner for providing such services to other counties, must be paid to the City.

3. Dr. Boyd Stephens, Chief Medical Examiner/Coroner reports that approximately ten years ago he established a separate bank account, at what is currently named Bayview Federal Bank, to deposit checks for fees and travel expenses paid to him by other counties for expert witness testimony and consultation. Dr. Stephens advises that this bank account was established in order to get reimbursement for his travel expenses, prior to remitting the fees due to the City. According to Dr. Stephens, he took this measure because the City had been extremely slow in reimbursing his travel expenses. Dr. Stephens states that the Medical Examiner/ Coroner has not purposely withheld any fees owed to the City and that to date, all fees owed to the City have been paid.

4. According to the Medical Examiner/Coroner's accounting records, for fiscal years 1991-92 and 1992-93 the City was paid \$5,521 and \$7,029 respectively, in fees for outside expert witness testimony and consultation services provided by the Chief Medical Examiner/Coroner. However an audit has not been conducted of these records. According to the Medical Examiner/Coroner's records, for FY 1993-94, the City has been paid \$7,950 to date for such fees. Specific details on the total amount of monies which were paid to the Medical Examiner/Coroner for travel and related expenses in connection with his provision of expert witness testimony and consultation for the past three fiscal years was not available as of the writing of this report.

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5. The Medical Examiner/Coroner's revenue funds are submitted to the Controller's Office in lump sums which are not categorized by source of funds. As such, the Controller's Office is unable to confirm whether the City is owed any outstanding fees for expert witness testimony and consultation or to provide documentation on the annual fee amount that accrues to the City for expert witness testimony and consultation.



Harvey M. Rose

cc: Supervisor Hallinan  
Supervisor Kaufman  
Supervisor Migden  
President Alioto  
Supervisor Bierman  
Supervisor Conroy  
Supervisor Hsieh  
Supervisor Kennedy  
Supervisor Leal  
Supervisor Maher  
Supervisor Shelley  
Clerk of the Board  
Chief Administrative Officer  
Controller  
Teresa Serata  
Robert Oakes  
Ted Lakey

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1/1/94

# CALENDAR

DOCUMENTS DEPT.

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## GOVERNMENT EFFICIENCY & LABOR COMMITTEE

### BOARD OF SUPERVISORS

### CITY AND COUNTY OF SAN FRANCISCO

#### REGULAR MEETING

TUESDAY, FEBRUARY 1, 1994

2:00 PM

ROOM 228, City Hall

MEMBERS: Supervisors Terence Hallinan, Barbara Kaufman, Carole Migden

CLERK: Joni Blanchard

\* \* \* \* \*

### Disability Access

The Board of Supervisors Committee Meeting Room (228) and the Legislative Chamber of the Board are on the second floor of City Hall.



Both the Committee Room and the Chamber are wheelchair accessible. The closest accessible BART Station is Civic Center, 2 1/2 blocks from City Hall. Accessible MUNI line serving this location is the #42 Downtown Loop as well as the METRO stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services, call 923-6142.



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The following services are available on request 72 hours prior to the meeting or hearing:

For American sign language interpreters or the use of a reader during a meeting, contact Violeta Mosuela at (415) 554-7704.

For a large print copy of an agenda, contact Moe Vazquez at (415) 554-4909.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

## CONSENT CALENDAR

1. All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Committee, and will be acted upon by a single roll call vote of the Committee. There will be no separate discussion of these items unless a member of the Committee or the public so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item:
  - a. File 89-94-1. [SDI Coverage for Class 1365 and 1372] Resolution authorizing enrollment of Classifications 1365 Special Assistant VI, and 1372 Special Assistant XIII, in the State Disability Insurance Program. (Employee Relations Division)
  - b. File 89-94-2. [SDI Coverage for Class 1370 and 1371] Resolution authorizing enrollment of Classifications 1370 Special Assistant XI, and 1371 Special Assistant XII, in the State Disability Insurance Program. (Employee Relations Division)
  - c. File 89-94-3. [SDI Coverage for Classification 1369] Resolution authorizing enrollment of Classification 1369 Special Assistant X, in the State Disability Insurance Program. (Employee Relations Division)
  - d. File 94-93-4. [Grant - Federal Section 3 Funds] Resolution authorizing the Public Utilities Commission to apply for, accept and expend \$48,733,803 in Federal Section 3 Fixed Guideway Capital Assistance and \$12,041,564 from various local match sources such as from State Transit Capital Improvement funds, State Urban Rail Bond funds, State Clean Air and Transportation Improvement Act Bond funds, Regional local match funds such as State Transit Assistance funds, Transportation Development Act funds, Bridge Toll Net Revenues, Regional Measure One funds, Gas Tax Revenues, Transit Impact Development fees, San Francisco Municipal Railway Improvement Corporation funds, the San Francisco County Sales Taxes, Port of San Francisco funds, and/or Catellus Corporation funds for three Municipal Railway projects. (Public Utilities Commission)

(Consideration continued from 8/18/93)

- e. File 68-94-3. [1993 and 94 JJDP Planning Grant] Resolution authorizing the Mayor of San Francisco to apply for, retroactively accept and expend funds in the amount of Three Thousand Seven Hundred Thirty Eight (\$3,738) Dollars which includes indirect costs of \$187 based on five percent of the total grant award made available through the Office of Criminal Justice Planning for a project entitled "1993/94 JJDP Planning Grant" and agreeing to provide cash match in the amount of \$3,738. (Mayor)
- f. File 68-94-4. [Chinatown Youth Center] Resolution authorizing the Mayor of San Francisco to apply for, retroactively, accept, and expend funds in the amount of \$40,270 made available through the Office of Criminal Justice Planning for a project entitled "Chinatown Youth Center", and waiving indirect costs. (Mayor)

- g. File 68-94-5. [Juvenile Diversion Expansion Project] Resolution authorizing the Mayor of San Francisco to apply for, retroactively, accept, and expend funds in the amount of \$30,943 made available through the Office of Criminal Justice Planning for a project entitled "Juvenile Diversion Expansion Program", and waiving indirect costs. (Mayor)
- h. File 138-94-1. [Grant – State Funds] Resolution authorizing the District Attorney of San Francisco to apply for, retroactively, accept and expend funds in the amount of \$297,416 available through the Office of Criminal Justice Planning for a project entitled "Victim Witness Assistance Center" for the twelve month period July 1, 1993 through June 30, 1994. (Supervisor Conroy)
- i. File 138-94-2. [Grant – State Funds] Resolution authorizing the District Attorney of San Francisco to apply for, retroactively, accept and expend grant funds in the amount of \$236,141 which includes indirect costs of \$11,245 based on five percent of the total grant award made available through the California Office of Criminal Justice Planning for the operation of the career criminal program for the twelve month period July 1, 1993 through June 30, 1994. (Supervisor Conroy)
- j. File 68-94-6. [Federal Funding – Emergency Shelter Grants Program] Resolution approving the 1994 Emergency Shelter Grants Program and expenditure schedule and authorizing the Mayor on behalf of the City and County of San Francisco to apply for, accept, and expend a \$644,000 entitlement under the Emergency Shelter Grants Program from the U.S. Department of Housing and Urban Development. (Supervisor Hallinan)
- k. File 146-94-1. [Grant for Homeless and Tom Waddel Clinic] Resolution authorizing the Department of Public Health, Homeless Programs, to accept and expend a grant of \$90,000 which includes indirect costs in the amount of \$10,000, based on 12.5 percent of non-personnel expenditures from the Episcopal Diocese of California for provision of services for homeless persons; providing for ratification of action previously taken. (Department of Public Health)
- l. File 148-94-1. [Surface Transportation Program (STP) Grant] Resolution authorizing the Director of Public Works to retroactively apply for, accept and expend up to \$1,997,000 in federal Surface Transportation Program funds for public works projects. (Department of Public Works)
- m. File 148-94-2. [State Funds for Roadway Improvements] Resolution authorizing the Director of Public Works to expend up to \$1,172,241 from the State of California for roadway work on City streets in accordance with the State-Local Transportation Partnership Program (4th Cycle) foregoing reimbursement of indirect costs. (Department of Public Works)
- n. File 172-94-1. [CAO – Moscone Convention Center Management Agreement] Resolution authorizing the Chief Administrative Officer to enter into a first amendment to and consent to assignment of management agreement for Moscone Convention Center, Brooks Hall, and Civic Auditorium. (Chief Administrative Officer)



- o. File 94-91-4.10. Hearing requesting release of reserved funds, Public Utilities Commission, in an amount totalling \$561,870, for the MUNI 24th and Utah Shop Replacement Project, (\$277,289, Amendment #3 to Gannett Fleming Contract, \$117,581, project management and inspection, and \$167,000 for conceptual engineering on replacement facility at 700 Pennsylvania). (Public Utilities Commission)
- p. File 94-91-4.11. Hearing requesting the release of reserved funds, Public Utilities Commission, in the amount of \$982,721 for BART/MUNI METRO Subway Dry Standpipe Replacement Project. (Public Utilities Commission)
- q. File 94-92-3.3. Hearing requesting release of reserved funds, Public Utilities Commission, in the amount of \$1,200,000, for construction contract for MUNI Metro Extension to Sixth Street Project. (Public Utilities Commission)
- r. File 94-91-10.4. Hearing requesting release of reserved funds, Public Utilities Commission, in an amount totalling \$4,880,000, for MUNI Metro Extension to Sixth Street Project. (Public Utilities Commission)

ACTION:

#### REGULAR CALENDAR

- 2. File 51-93-3.2. [Indemnification Claim, Roland Alcantara] Hearing to consider the indemnification claim of City employee, Roland Alcantara, in the amount of \$500. (Supervisor Hallinan)

ACTION:

- 3. File 64-94-1. [Lease Amendment, 160 Van Ness Avenue] Resolution authorizing the execution of a lease amendment of an existing lease of real property at 160 Van Ness Avenue for the Controller's Office – Payroll/Personnel Services Division. (Real Estate Department)

ACTION:

- 4. File 65-94-3. [Lease Agreement/Osgood Warehouse Company and Port] Ordinance approving lease agreement between Osgood Warehouse Company dba San Francisco Port Cargo Sourcing Exchange Co. and San Francisco, operating by and through the Port Commission for import/export cargo warehousing and sourcing; and non-contagious extension of Foreign Trade Zone #3. (Port of San Francisco)

ACTION:

- 5. File 65-94-4. [Lease Agreement between Park Express and Port] Ordinance approving lease agreement between Park Express and San Francisco, operating by and through the Port Commission for parking lot operations at Seawall Lot 330 and Pier 30, located at the Port of San Francisco. (Port of San Francisco)

ACTION:



6. File 222-94-1. [Cost Analysis of Memorandum of Understanding] Ordinance requiring the Department of Human Resources to provide the Board of Supervisors with an itemized accounting of the costs of any memorandum of understanding submitted to the Board of Supervisors for ratification or award by arbitration pursuant to collective bargaining. (Supervisor Kaufman)

ACTION:

LITIGATION:

7. File 45-94-1. [Settlement of Litigation/William Carl Cassio] Ordinance authorizing settlement of litigation of William Carl Cassio against the City and County of San Francisco by payment of \$18,000 (Superior Court No. 950-111) (City Attorney)

ACTION:



31  
94  
ADDENDUM  
CALENDAR

GOVERNMENT EFFICIENCY & LABOR COMMITTEE  
BOARD OF SUPERVISORS  
CITY AND COUNTY OF SAN FRANCISCO

DOCUMENTS DEPT.  
JAN 23 1994  
SAN FRANCISCO  
PUBLIC LIBRARY

TUESDAY, FEBRUARY 1, 1994 2:00 PM ROOM 228, City Hall

MEMBERS: Supervisors Terence Hallinan, Barbara Kaufman, Carole Migden

CLERK: Joni Blanchard

8. File 172-93-35. [Contract Agreement] Resolution approving a new freeway agreement in accordance with the revised plan of State Highway Route 280 from the State of California and approving certain action in connection therewith. (Department of Public Works)

ACTION:

Government Efficiency & Labor Committee  
Board of Supervisors  
City Hall, Room 235  
San Francisco, CA 94102

D 4524

Bill Lynch  
Documents Section  
SF Public Library-Main Branch  
Civic Center  
San Francisco CA



CITY AND COUNTY



OF SAN FRANCISCO

## BOARD OF SUPERVISORS

BUDGET ANALYST

1390 MARKET STREET, SUITE 1025

SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

January 28, 1994

DOCUMENTS DEPT.

SEP 26 2000

**TO:** Government Efficiency and Labor CommitteeSAN FRANCISCO  
PUBLIC LIBRARY**FROM:** Budget Analyst**SUBJECT:** February 1, 1994 Government Efficiency and Labor Committee MeetingItems 1a and 1b - Files 89-94-1 and 89-94-2

1. The proposed resolutions would authorize enrollment of classifications 1365 Special Assistant VI (File 89-94-1), 1372 Special Assistant XIII (File 89-94-1), 1370 Special Assistant XI (File 89-94-2), and 1371 Special Assistant XII (File 89-94-2), from various City Departments, in the State Disability Insurance (SDI) Program. The cost of SDI coverage would be paid by the employee through normal payroll deductions. The proposed legislation would not involve significant cost to the City as the Controller's payroll/personnel system is programmed to include this deduction.

2. SDI pays disability benefits to employees who suffer a non-industrial injury or illness. SDI-eligible employees have been paying into the SDI system since July 1, 1981. Currently, the payroll deduction is 1.3 percent of the first \$31,767 of gross salary for each employee (maximum of \$412.97 annually). While SDI coverage is mandatory for all employees within bargaining units enrolled in the SDI program, it is not mandatory that employee classifications which are not represented by a bargaining unit be included in the SDI program unless a majority of employees within the classification request coverage.

Memo to Government Efficiency and Labor Committee  
February 1, 1994 Government Efficiency and Labor Committee Meeting

3. The following classifications, which are not represented by a bargaining unit, would be authorized to enroll in the State Disability Program under the proposed resolutions:

<u>Position</u>	<u>Classification</u>	<u>Number of Employees</u>	<u>Number of Employees Requesting Coverage</u>
Special Assistant VI	1365	13	8
Special Assistant XI	1370	14	8
Special Assistant XII	1371	17	10
Special Assistant XIII	1372	12	9

4. As shown in the above table, the Employee Relations Division (ERD) reports that it has received petitions requesting coverage signed by the majority of employees in each of the above-mentioned classifications.

**Recommendation**

Approve the proposed resolutions.



Item 1c - File 89-94-3

1. The proposed resolution would authorize enrollment of classification 1369 Special Assistant X, from various City Departments, in the State Disability Insurance (SDI) Program. The cost of SDI coverage would be paid by the employee through normal payroll deductions. The proposed legislation would not involve significant cost to the City as the Controller's payroll/personnel system is programmed to include this deduction.

2. SDI pays disability benefits to employees who suffer a non-industrial injury or illness. SDI-eligible employees have been paying into the SDI system since July 1, 1981. Currently, the payroll deduction is 1.3 percent of the first \$31,767 of gross salary for each employee (maximum of \$412.97 annually). While SDI coverage is mandatory for all employees within bargaining units enrolled in the SDI program, it is not mandatory that employee classifications which are not represented by a bargaining unit be included in the SDI program unless a majority of employees within the classification request coverage.

3. The following classification, which is not represented by a bargaining unit, would be authorized to enroll in the State Disability Program under the proposed resolution:

<u>Position</u>	<u>Classification</u>	<u>Number of Employees</u>
Special Assistant X	1369	14

4. The Employee Relations Division (ERD) reports that it has received a petition requesting coverage signed by 9 of the 14 employees in the above-mentioned classification.

**Recommendation**

Approve the proposed resolution.



Memo to Government Efficiency and Labor Committee  
February 1, 1994 Government Efficiency and Labor Committee Meeting

Item 1d - File 94-93-4

**Note:** This item was continued from the Government Efficiency & Labor Committee meeting of August 18, 1993.

**Department:** Public Utilities Commission (PUC)  
Municipal Railway (MUNI)

**Item:** Resolution authorizing the Public Utilities Commission to apply for, accept and expend \$48,733,803 in Federal Section 3 Fixed Guideway Capital Assistance and \$12,041,564 from various local match sources such as from the State Transit Capital Improvement funds, State Urban Rail Bond funds, State Clean Air and Transportation Improvement Act Bond funds, Regional local match funds, such as State Transit Assistance funds, Transportation Development Act funds, Bridge Toll Net Revenues, Regional Measure One funds, Gas Tax Revenues, Transit Impact Development Fees, San Francisco Municipal Railway Improvement Corporation funds, the San Francisco County Sales Taxes, Port of San Francisco Funds, and/or Catellus Corporation funds for three Municipal Railway Projects.

<b>Grant Amount:</b>	Federal Section 3 Fixed Guideway Capital Assistance	\$48,733,803
	Local Match Program Funds	<u>12,041,564</u>
	Total	\$60,775,367

**Local Match:** \$12,041,564 (see Comment No. 2)

**Grant Period:** October 1, 1993 through September 30, 1994

**Description:** The proposed grant funds would be used to fund a continuation of three Municipal Railway Projects: Muni Metro Turnback, Trolley Purchase, and Light Rail Vehicle (LRV) Replacement. These projects are on-going and have been previously approved by the Board of Supervisors. The contractors and budgets for these three projects are as follows:

Memo to Government Efficiency and Labor Committee  
February 1, 1994 Government Efficiency and Labor Committee Meeting

**Muni Metro**

**Turnback:**

<u>Name</u>	<u>MBE/WBE Status</u>	<u>Amount</u>
<u>Construction Contractors</u>		
Landavasso Brothers	Yes	\$368,068
Rios Grading	Yes	258,734
Anzalones Associates	Yes	5,433
Nationwide Construction	Yes	356,524
Rainbow Construction	Yes	224,644
Accu-Crete	Yes	169,094
Krotkin Landscape	Yes	6,180
Automated Switching	Yes	44,142
S&S Trucking	Yes	50,932
Bencor-Petrifond	No	353,128
Amelco Electric	No	339,546
Kiewit Pacific	No	294,115
Haywood Baker	No	162,982
Scott Company	No	135,819
Kulchin Condon	No	20,373
Saliba Perini	No	<u>3,637,154</u>
Total Construction Contractors		\$6,426,868

Consultant Services

Bechtel	No	\$6,767,367
T.Y. Lin	No	168,872
Dames and Moore	No	999,417
Don Todd	No	566,576
Towill	No	265,030
Harding Lawson	No	86,335
Special Consultants	No	355,740
Wilson Ihrig	No	4,139
Warren	Yes	574,592
PCH Wong	Yes	574,604
EPC	Yes	722,622
Luster	Yes	1,348,843
AGS	Yes	231,085
AGS/Chew Geotech/Valera	Yes	666,279
Geotopo	Yes	176,687
PCH Wong/Luster	Yes	140,373
Luster/Warren	Yes	116,266
EPC/Luster	Yes	172,522
MBE for Computers	Yes	58,358
Special T	Yes	27,106
Faye Bernstein	Yes	577,664
Public Affairs Mgmt.	Yes	677,991
Dynamic Consultants	Yes	206,944
A. Hernandez	Yes	33,111
Creative Communications	Yes	115,888
Faye Bernstein	Yes	33,111
Special Task Contingency		<u>1,372,200</u>

Total Consultant Services

\$17,039,722

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Memo to Government Efficiency and Labor Committee  
February 1, 1994 Government Efficiency and Labor Committee Meeting

<u>PUC In-House Design Services</u>	\$667,613
(approximately 2,670 Muni and Utilities and Engineering Bureau man-days at \$250 per day per person, including salaries and fringe benefits, for construction inspection, project management, and contract monitoring)	
<u>PUC Indirect Costs</u> (based on the PUC's cost allocation plan)	<u>567,471</u>
Total Muni Metro Turnback	\$24,701,674

**Trolley Bus Replacement:**

<u>PUC In-House Design Services</u>	\$900,393
(approximately 3,602 Muni and Utilities and Engineering Bureau man-days at \$250 per day per person, including salaries and fringe benefits, for construction inspection, project management, testing and contract monitoring)	
<u>Consultant Services</u>	1,395,608
<u>Equipment Purchase</u>	15,816,896
<u>PUC Indirect Costs</u> (based on the PUC's cost allocation plan)	<u>495,216</u>
Trolley Bus Replacement Total	\$18,608,113

**Light Rail Vehicle Replacement:**

<u>PUC In-House Design Services</u>	\$845,109
(approximately 3,380 Muni and Utilities and Engineering Bureau man-days at \$250 per day per person, including salaries and fringe benefits, for construction inspection, project management, testing and contract monitoring)	
<u>Consultant Services</u>	1,309,918
<u>Equipment Purchase</u> (Breda Company; 7 Light Rail Vehicles (LRV's) at approximate \$2,120,820)	14,845,742
<u>PUC Indirect Costs</u> (based on the PUC's cost allocation plan)	<u>464,810</u>
Total Light Rail Vehicle	\$17,465,579

**Comments:**

1. Local match funds for this grant would be supported from the following expenditures, which were previously approved by the Board of Supervisors:

<u>MUNI Metro Turnback</u> San Francisco Transportation Authority	\$4,940,335
--	-------------

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Trolley Bus Replacement

State Department of Transportation  
and San Francisco Transportation Authority      \$3,721,623

Light Rail Vehicle Replacement

State Department of Transportation  
and San Francisco Transportation Authority      3,493,115

TOTAL LOCAL MATCH      \$12,155,073

2. The proposed resolution states that a local match of \$12,041,564 would be required to receive this grant. However, the actual required match would be \$12,155,073, or \$113,509 more than the amount stated in the resolution. Therefore, the proposed resolution should be amended to include the correct local match amount of \$12,155,073, not \$12,041,564.

3. The application deadline for this proposed grant was October 1, 1993. Since the PUC has already applied for this proposed grant, the proposed resolution should be amended to provide for ratification of action previously taken. The PUC has not yet accepted or expended any of the proposed grant funds, according to Ms. Gail Bloom of the PUC.

4. As of the writing of this report, the PUC had not selected consultant services contractors for the Trolley Bus Replacement Project, at a cost of \$1,395,608. Also, the PUC was unable to provide cost details for the \$15,816,896 in equipment purchases for the Trolley Bus Replacement Project. Therefore, these amounts should be placed on reserve pending selection of contractors and provision of cost details.

6. The Consultant Services cost of \$1,309,918, for the Light Rail Vehicle Replacement Project would supplement an existing contract with Booz-Allen & Hamilton. The current contract is in the amount of \$3,417,293. According to MUNI, Booz-Allen & Hamilton, which is neither an MBE nor a WBE firm, was selected through the Department's Request for Proposal process. Booz-Allen & Hamilton is providing specification, inspection and testing services in connection with the LRV Replacement Project.

7. The contractor for the Light Rail Vehicle Replacement Project equipment is the Breda Company. The Breda Company was selected through the Department's bid process to provide new LRVs. Breda is an Italian firm. According to MUNI, no U.S. firms submitted a bid. The Board of



Supervisors previously approved the purchase of LRVs through Breda (File 94-93-9).

**Recommendations:**

1. Amend the proposed resolution to provide for ratification of action previously taken, since the PUC has already applied for the proposed grant.
2. Amend the proposed resolution to reflect the correct local match amount of \$12,155,073, not \$12,041,564.
3. Amend the proposed resolution to reserve \$1,395,608 for the Trolley Bus Replacement consultant services pending selection of contractors, and \$15,816,896 for Trolley Bus Replacement equipment pending provision by PUC of cost details for this equipment.
4. Approve the proposed resolution, as amended.



Item 1e - File 68-94-3

**Department:** Mayor's Criminal Justice Council (MCJC)

**Item:** Resolution authorizing the Mayor to retroactively apply for, accept and expend Federal grant funds in the amount of \$3,738 which includes indirect costs of \$187 based on five percent of the total grant award, made available through the State Office of Criminal Justice Planning, and agreeing to provide a cash match in the amount of \$3,738.

**Grant Amount:** \$3,738

**Grant Period:** October 1, 1993 to September 30, 1994

**Source of Funds:** Federal funds through the State Office of Criminal Justice Planning

**Project:** FY 1993/94 Juvenile Justice Delinquency Prevention (JJDP) Planning Grant

**Description:** The Mayor's Criminal Justice Council (MCJC) coordinates the City's planning efforts for juvenile justice programs. The MCJC is responsible for planning, monitoring and administering the City's Juvenile Justice and Delinquency Prevention (JJDP) funds which are allocated through the State Office of Criminal Justice Planning (OCJP). MCJC staff duties include (1) collecting and analyzing data pertaining to youth in order to identify problems and needs, (2) making recommendations to the Youth Services/AB 90 Task Force, (3) coordinating meetings with other City agencies involved in the disbursal of JJDP funds, (4) providing technical assistance to all JJDP programs, (5) performing all grant processing and management activities and (6) providing on-going monitoring of all JJDP programs.

<b>Budget:</b>	<b>Federal <u>Grant</u></b>	<b>Local <u>Match</u></b>	<b>Project <u>Total</u></b>
<u>Personnel</u>			
Criminal Justice			
Specialist II			
(.12 FTE)	\$2,839	\$2,839	\$5,678
<u>Operating Expenses</u>			
Travel	768	768	1,536
Audit	38	37	75

	<u>Federal Grant</u>	<u>Local Match</u>	<u>Project Total</u>
<u>Indirect Costs</u> (5% of Federal grant)	93	94	187
Totals	\$3,738	\$3738	\$7,476

**Required Match:** \$3,738, included in the Mayor's Office FY 1993-94 budget.

**Indirect Costs:** \$187 based on 5 percent of the Federal grant amount of \$3,738.

**Comments:**

1. Mrs. Joyce Smith of the MCJC reports that the application for the proposed grant has already been submitted to the State. Additionally, Ms. Smith advises that expenditures have been incurred against these grant funds. Therefore, the proposed resolution authorizes the Mayor to retroactively apply for, accept and expend the proposed grant.
2. The proposed grant amount of \$3,738 is the same amount as allocated in FY 1992-93.
3. The MCJC has prepared a Disability Access Checklist for this project site which is on file with the Clerk of the Board.
4. Attached is a grant summary, as prepared by MCJC, for this proposed grant.

**Recommendation:** Approve the proposed resolution.

Grantor Office of Criminal Justice Planning Division Mayor  
 Contact Person Kathryn Garcelon Section Criminal Justice  
 Address 1130 K Street, Suite 300 Contact Person Joyce O. Smith  
Sacramento, CA 95814 Telephone (415) 554-6561  
 Amount Requested \$ 3,738 Application Deadline 8/93  
 Term: From 10/1/93 To 9/30/94 -- Notification Expected Allocation  
 Board of Supervisors: Finance Committee \_\_\_\_\_  
 Full Board \_\_\_\_\_

I. Item Description: Request to (apply for) (accept and expend) a (new) (continuation) (allocation) (augmentation to a)  
 (Circle appropriate words) grant in the amount of \$ 3,738 from the period of 10/1/93 to 9/30/94  
 to provide coordinate the City's criminal justice planning services.  
efforts.

II. Summary: (Concise summary, need addressed, services + groups served, services and providers)

The Mayor's Criminal Justice Council is the regional planning unit for the CCSE. Among other things, this office coordinates the City's criminal justice planning efforts to impact youth problems, is responsible for the annual allocation of JJDP funds from the State, and is also responsible for the comprehensive Criminal Justice Plan for JJDP funds each year in accordance with OCJP schedule.

III. Outcomes/Objectives:

Staff collects and analyzes data pertaining to the Youth Services/AB 90 Task Force on a year round basis to identify problems and needs. Based on their findings, staff will make recommendations to the Task Force taking into consideration the priorities set forth by this body.

IV. Effects of Reduction or Termination of These Funds:

Reduction or termination of these funds will create a void in the coordination of youth criminal justice issues

V. Financial Information:

	Col. A	Col. B	Col. C	Col. D	Req. Match	Approved by
	Two Years Ago	Past Year/Orig.	Proposed	Change		
Grant Amount	\$6,645	\$3,738	\$3,738		\$3,738	
Personnel	6,069	3,301	2,839		2,839	
Equipment						
Contract Svc.						
Mat. & Supp.						
Travel	344	344	768		768	
Other Audit	66	-0-	38		37	
Indirect Costs	166	93	93		94	

VI. Data Processing

(none included above)

N/A

VII. Personnel

F/T CSC	14.25%FTE	6.92%FTE	5.95%FTE	5.95%FTE
P/T CSC				
Contractual				

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:  
State Realignment

VIII grant funded employees be retained after this grant terminates? If so, How?  
Contingent on funding

VIII. Contractual Services: Open Bid \_\_\_\_\_ Sole Source \_\_\_\_\_ (if sole source, attach Request for Exception Form)





Memo to Government Efficiency and Labor Committee  
February 1, 1994 Government Efficiency and Labor Committee Meeting

Item 1f - File 68-94-4

**Department:** Mayor's Criminal Justice Council (MCJC)

**Item:** Resolution authorizing the Mayor to retroactively apply for, accept and expend Federal grant funds in the amount of \$40,270, made available through the State Office of Criminal Justice Planning, and waiving indirect costs.

**Grant Amount:** \$40,270

**Grant Period:** October 1, 1993 to September 30, 1994

**Source of Funds:** Federal funds through the State Office of Criminal Justice Planning

**Project:** Chinatown Youth Center

**Description:** The Chinatown Youth Center is a youth service agency for at-risk Asian youth from 12-23 years of age. The Chinatown Youth Center's objectives are to reduce truancy, increase self esteem and self awareness, reduce inappropriate acting-out behaviors, create a safe environment for youth to talk, increase communication with parents, increase positive role models and provide support for parents of at-risk youth.

<b>Budget:</b>	<u>Salaries and Benefits</u>	<u>FTE</u>	
	Executive Director	0.10	\$4,200
	Admin. Coordinator	0.12	3,702
	Program Director	0.10	3,300
	Youth & Family Counselor I	0.50	10,000
	Youth & Family Counselor II	0.50	10,500
	Fringe Benefits		<u>6,273</u>
	Total- Salaries and Benefits	1.32	\$37,975
	<u>Operating Expenses</u>		
	Office Supplies		\$360
	Seminars		340
	Postage		180
	Program Expenses		495
	Travel		<u>920</u>
	Total Operating Expenses		<u>2,295</u>
	Total Budget		\$40,270

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

**Required Match:** None

**Indirect Costs:** Federal guidelines do not permit the inclusion of indirect costs in the subject grant funds.

**Comments:**

1. Mrs. Joyce Smith of the MCJC reports that the application for the proposed grant has already been submitted to the State. Additionally, Ms. Smith advises that expenditures have been incurred against these grant funds. Therefore, the proposed resolution authorizes the Mayor to retroactively apply for, accept and expend the proposed grant.
2. The MCJC has prepared a Disability Access Checklist for this project site which is on file with the Clerk of the Board.
3. Attached is a grant summary, as prepared by MCJC, for this proposed grant.

**Recommendation:** Approve the proposed resolution.

Office of Criminal Justice Planning  
 Contact Person Kathryn Garcelon  
 Address 1130 K Street, Suite 300  
Sacramento, CA 95814  
 Amount Requested \$ 40,270  
 Term: From 10/1/93 To 9/30/94

Division Mayor  
 Section Criminal Justice Council  
 Contact Person Joyce O. Smith  
 Telephone (415) 554-6561  
 Application Deadline 8/23/93  
 Notification Expected 12/93

Board of Supervisors: Finance Committee

Full Board

I. Item Description:

(Check appropriate words)

Request to (apply for) (accept and expend) a (new) (continuation) (allocation) (augmentation to a grant in the amount of \$ 40,270 from the period of 10/1/93 to 9/30/94 to provide individual crisis and on-going as well as group services counseling

II. Summary: (Concise history; need addressed; number + groups served; services and providers)

Chinatown Youth center is a multi-youth service agency to at risk Asian youth from 12 - 23 years of age. Services include youth and family counseling; intake assessment; crisis intervention; school outreach; parent workshop/education/support group; drug prevention/education; youth support group; pre-employment counseling and information; job placement; gang prevention; street outreach; tutorial; recreation; information and referrals.

III. Outcomes/Objectives:

Chinatown Youth Center's objectives are to reduce truancy, increase self esteem and self awareness, reduce inappropriate acting out behaviors, create a safe environment for youth to talk, increase communication with parents, increase positive role models and provide support for parents of at risk youth.

IV. Effects of Reduction or Termination of These Funds:

Reduction or termination of these funds will result in the reduction of the number of youth served.

V. Financial Information:

	Col. A	Col. B	Col. C	Col. D	Req. Match	Approved by
	Two Years Ago	Past Year/Orig.	Proposed	Change		
Grant Amount						
Personnel						
Equipment						
*Contract Svc.	-0-	\$47,376	\$40,270	N/A		
Mat. & Supp.						
Facilities/Space						
Other						
Indirect Costs						

VI. Data Processing

(none included above)

N/A

VII. Personnel

F/T CSC				
P/T CSC				
Contractual			7	

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:

N/A

Will grant funded employees be retained after this grant terminates? If so, How?

Contingent on availability of funds.

VIII. Contractual Services: Open Bid \_\_\_\_\_ Sole Source \_\_\_\_\_ (If sole source, attach Request for Exception Form)

Program will be submitted to the Civil Service Commission for approval



Memo to Government Efficiency and Labor Committee  
February 1, 1994 Government Efficiency and Labor Committee Meeting

Item 1g - File 68-94-5

**Department:** Mayor's Criminal Justice Council (MCJC)

**Item:** Resolution authorizing the Mayor to retroactively apply for, accept and expend Federal grant funds in the amount of \$30,943, made available through the State Office of Criminal Justice Planning, and waiving indirect costs.

**Grant Amount:** \$30,943

**Grant Period:** October 1, 1993 to September 30, 1994

**Source of Funds:** Federal funds through the State Office of Criminal Justice Planning

**Project:** Juvenile Diversion Expansion Program

**Description:** San Francisco Youth Courts, Inc. operates a juvenile diversion program whereby juveniles cited for misdemeanors are judged by a jury of their peers. The juveniles receive sentences requiring performance of community services, written essays, a three-hour self-esteem workshop, and, as appropriate, restitution. Through the proposed expansion project, San Francisco Youth Courts, Inc. will accept youth referrals from nine Police Districts (currently referrals are accepted from only six Police Districts) and increase the number of youth served in its program by five from 20 to 25 per month.

<b>Budget:</b>	<u>Salaries</u>	<u>FTE</u>	
	Youth Court Coordinator	1.0	\$22,000
	Fringe Benefits		<u>4,400</u>
	Total- Salaries and Benefits		\$26,400
	<u>Operating Expenses</u>		
	Travel		\$1,328
	Audit		1,500
	Administrative Costs		1,715
	Total Operating Expenses		<u>4,543</u>
	Total Budget		\$30,943

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

**Required Match:** None

**Indirect Costs:** Federal guidelines do not permit the inclusion of indirect costs in the subject grant funds.

**Comments:** 1. Mrs. Joyce Smith of the MCJC reports that the application for the proposed grant has already been submitted to the State. Additionally, Ms. Smith advises that expenditures have been incurred against these grant funds. Therefore, the proposed resolution authorizes the Mayor to retroactively apply for, accept and expend the proposed grant.

2. The MCJC has prepared a Disability Access Checklist for this project site which is on file with the Clerk of the Board.

3. Attached is a grant summary, as prepared by MCJC, for this proposed grant.

**Recommendation:** Approve the proposed resolution.



MAYOR

## Summary of Grant Request

Rev. 4/10/90

Director Ofc. of Criminal Justice Planning Vision Mayor  
 Contact Person Kathryn Garcelon Section Criminal Justice Council  
 Address 1130 K Street, Suite 300 Contact Person Joyce O. Smith  
Sacramento, CA 95814 Telephone (415) 554-6561  
 Amount Requested \$30,943 Application Deadline 8/93  
 Term: From 10/1/93 To 9/30/94 Notification Expected 11/15/93

Board of Supervisors: Finance Committee

Full Board

I. Item Description: Request to (apply for) (accept and expend) a (new) (continuation) (allocation) (augmentation to a)  
 (Circle appropriate words) grant in the amount of \$30,943 from the period of 10/1/93 to 9/30/94  
 to provide juvenile diversion services.

## II. Summary: (Concise history, need addressed, number &amp; groups served, services and providers)

S.F. Youth Courts operates a juvenile diversion program whereby juveniles  
cited for misdemeanors are judged by a jury of their peers and receive  
sentences of community service hours, written essays, a three-hour self  
esteem workshop (mandatory), and as appropriate, restitution.

## III. Outcomes/Objectives:

S.F. Youth Courts will increase the acceptance of youth referrals from  
6 police districts to 9, increase the number of youth served in its youth  
program from 20 to 25 per month, and track the recidivism rate of youth  
court defendants who have completed youth court sentences every 6 months  
 IV. Effects of Reduction or Termination of These Funds: to maintain 12%.

Less youth would be served.

## V. Financial Information:

	Col. A	Col. B	Col. C	Col. D	Req. Match	Approved by
	Two Years Ago	Past Year/Orig.	Proposed	Change		
Grant Amount						
Personnel						
Equipment						
* Contract Svc.			<u>\$30,943</u>			
Mat. & Supp.						
Facilities/Space						
Other						
Indirect Costs						

## VI. Data Processing

(costs included above)

N/A

## VII. Personnel

F/T CSC				
P/T CSC				
Contractual			<u>1</u>	

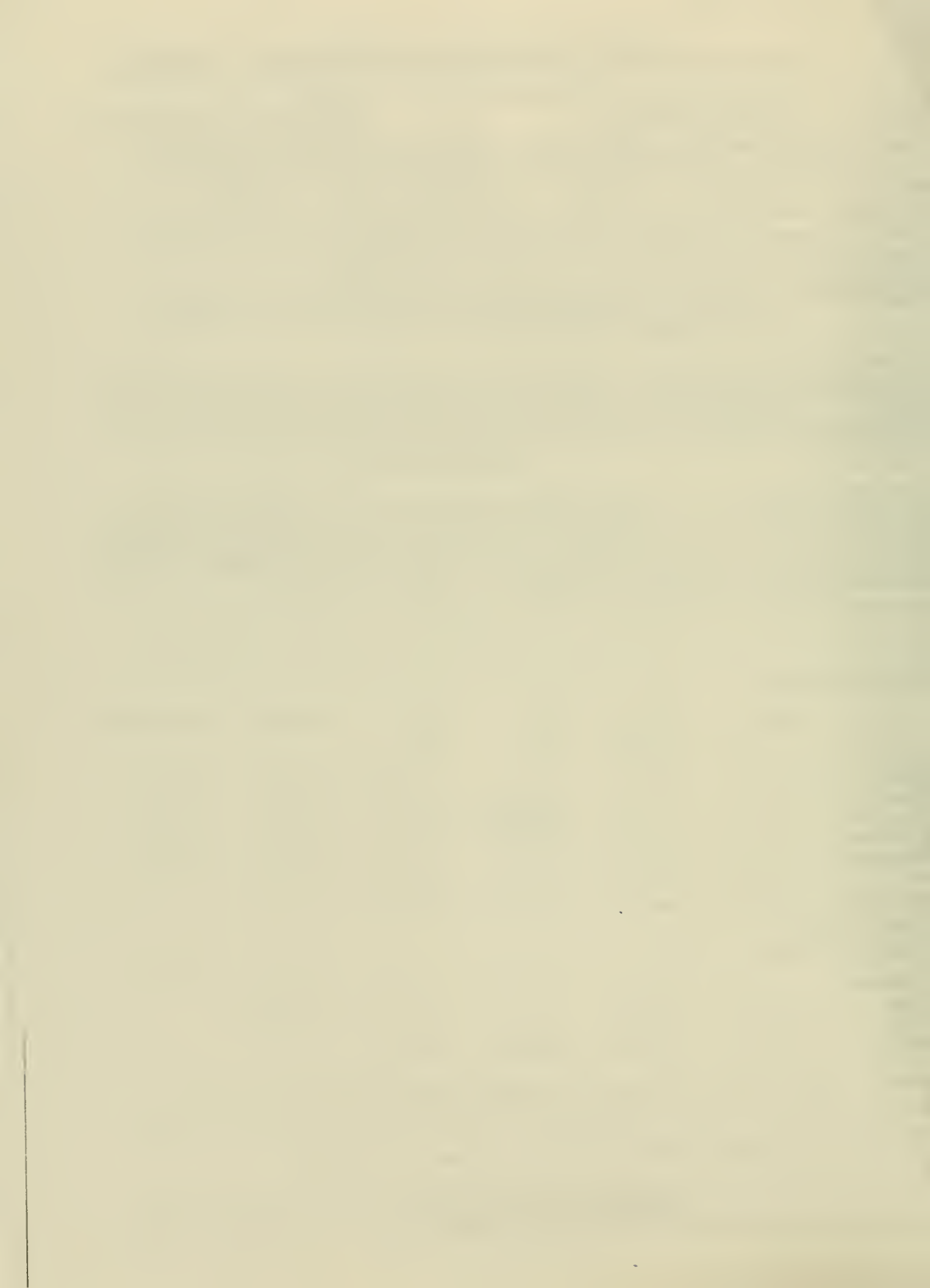
Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:

N/A

Will grant funded employees be retained after this grant terminates? If so, How?

N/A

\*VIII. Contractual Services: Open Bid \_\_\_\_\_ Sole Source \_\_\_\_\_ (if sole source, attach Request for Exception Form)



Memo to Government Efficiency and Labor Committee  
December 1, 1993 Government Efficiency and Labor Committee Meeting

Item 1h - File 138-94-1

**Department:** District Attorney (DA)

**Item:** Resolution authorizing the District Attorney to apply for, retroactively accept and expend funds in the amount of \$297,416.

**Grant Amount:** \$297,416

**Grant Period:** July 1, 1993 through June 30, 1994

**Source of Funds:** California Office of Criminal Justice Planning (OCJP)

**Project:** Victim Witness Assistance Center

**Description:** This would be the 17th year of State funding for this project. The Victim Witness Assistance Center, administered by the District Attorney's Office, provides a broad range of services to victims of crime, including the following: (1) crisis intervention and emergency services (e.g., counseling and financial assistance); (2) information and referral services; (3) the filing of Victim of Crime Claim forms for compensation through the State Board of Control; (4) training and public awareness programs (e.g., presentations to community groups and public safety agencies); and (5) orientation to the local criminal justice agencies (e.g., provision of verbal or printed information to victims/witnesses on the location, procedures and functions of local criminal justice agencies).

The District Attorney's Victim Witness Assistance Center has initiated special projects for the elderly, child victims, juveniles, the Asian and Latino communities, rape victims and the business community.

**No. of Persons to be Served:** Approximately 2,400 victims of crime.

Memo to Government Efficiency and Labor Committee  
December 1, 1993 Government Efficiency and Labor Committee Meeting

Project Budget:	<u>Personnel</u>	<u>FTEs</u>	<u>Amount</u>
	Executive Director	0.10	\$5,739
	Program Coordinator	0.90	47,990
	Victim/Witness Specialists	4.00	158,428
	Senior Clerk Typist	0.60	20,875
	Grant Manager	0.05	2,072
	Fringe Benefits	—	<u>29,760</u>
	Subtotal Personnel	5.65	\$264,864
	<u>Operating Expenses</u>		
	Travel		\$ 3,614
	Telephone		3,272
	Copying		1,746
	Office Supplies		1,559
	Emergency Assistance Fund		612
	Postage		538
	Audit		<u>2,974</u>
	Subtotal Operating Expenses		\$14,315
	<u>Office Equipment</u>		
	Computer Cart		206
	Micro-Computer & Printer		<u>3,160</u>
	Subtotal Equipment		\$3,366
	<u>Indirect Costs</u>		<u>14,871</u>
	Total Program Budget		\$297,416

Required Match: None.

Indirect Costs: \$14,871 or 5 percent of the total grant amount of \$297,416.

Comments: 1. The DA's Office indicates that, since the proposed grant is a continuation grant, expenses have been incurred against the District Attorney's fiscal year 1993-94 grant account with the OCJP in order to continue providing services, and when the proposed grant funds are received, the account would be reimbursed. Therefore, a retroactive provision has been included in the proposed resolution.

2. The \$297,416 includes indirect costs of five percent or \$14,871 in the grant budget. Since the indirect costs were not

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

specified in the title of the resolution, the proposed resolution should be amended to include indirect costs of \$14,871 based on five percent of the total grant in the title of the proposed resolution.

3. The proposed grant funds of \$297,416 are \$5,598 less than the \$303,014 in grant funds, or a 1.8 percent decrease from the amount of grant funds which the District Attorney's Office received in fiscal year 1992-93.

4. Attached is a copy of the Grant Application Information Form, as completed by the District Attorney's Office.

5. The District Attorney's Office has completed a Disability Access Checklist, which is in the file.

**Recommendation:** Amend the proposed resolution to include indirect costs of \$14,871 based on five percent of the total grant in the title of the proposed legislation. Approve the proposed resolution, as amended.

Grantor Office of Criminal Justice Planning  
Contact Person John Boivin  
Address 1130 K Street  
Sacramento, Ca 95814  
Amount Requested \$ 297,416.  
Term: From 7/1/93 To 6/30/94  
Health Commission \_\_\_\_\_ Board of Supervisors: \_\_\_\_\_

Division District Attorney's Office  
Section Victim Witness Bureau  
Contact Person Donna Medley  
Telephone 415 553-9046  
Application Deadline 7/30/93  
Notification Expected 8/21/93  
Full Board \_\_\_\_\_

I. Item Description: Request to (apply for) (accept and expend) a (new) (continuation) (allocation) (augmentation) grant in the amount of \$297,416. from the period of 7/1/93 to 6/30/94 to provide comprehensive crime victim services.

II. Summary: (Concise summary of need, objectives, number of groups served, services, and providers)

Since 1977, the Victim Witness Assistance Center has provided comprehensive service to victims of crime. In 1992-1993 approximately 2400 new victims received crisis intervention and follow-up counseling, court case notification, criminal justice system advocacy, and other supportive services to protect them from revictimization and aid them in recovering in the aftermath of crime.

III. Outcomes/Objectives:

- 1) To provide assessment and comprehensive services to 2400 new victims; 1060 continuing clients; and 40 non-victim witnesses.
- 2) To conduct 188 presentations/trainings to criminal justice system agencies, victim service organizations, community groups, schools or media.

IV. Effects of Reduction or Termination of These Funds:

Reduction or termination of funds means victims of crime would lose the only authorized advocacy personnel in the criminal justice system; rights would not be asserted; information would be unavailable; assistance in recovery would depend on private means.

V. Financial Information:

	Col. A Two Years Ago	Col. B Past Year/Orig.	Col. C Proposed	Col. D Change	Req. Match	Approved
Grant Amount	<u>\$286,991</u>	<u>\$303,014</u>	<u>\$297,416</u>	<u>(5,598)</u>	<u>0</u>	_____
Personnel	<u>253,424</u>	<u>276,167</u>	<u>264,864</u>	<u>(11,303)</u>	<u>0</u>	_____
Equipment	<u>-</u>	<u>-</u>	<u>3,160</u>	<u>+3,160</u>	<u>0</u>	_____
*Contract Svc.	<u>2,400</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>0</u>	_____
Mat. & Supp.	<u>2,587</u>	<u>2,133</u>	<u>2,097</u>	<u>( 36)</u>	<u>0</u>	_____
Facilities/Space	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>0</u>	_____
Other	<u>14,230</u>	<u>9,563</u>	<u>12,424</u>	<u>+2,861</u>	<u>0</u>	_____
Indirect Costs	<u>14,350</u>	<u>15,151</u>	<u>14,871</u>	<u>( 280)</u>	<u>0</u>	_____

VI. Data Processing:

(costs included above)

N/A

N/A

N/A

VII. Personnel

F/T CSC	<u>5</u>	<u>5</u>	<u>5</u>	_____
P/T CSC	<u>5</u>	<u>4</u>	<u>3</u>	_____
Contractual	<u>0</u>	<u>0</u>	<u>0</u>	_____

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:

State Board of Control, District Attorney's Office

Will grant funded employees be retained after this grant terminates? If so, How?

Employees will be retained if other grant funds are available and applicable to the employees' job classifications.

\*VIII. Contractual Services: Open Bid \_\_\_\_\_ Sole Source \_\_\_\_\_ (If sole source, attach Request for Example)



Memo to Government Efficiency and Labor Committee  
February 1, 1994 Government Efficiency and Labor Committee Meeting

Item 1j - File 138-94-2

**Department:** District Attorney (DA)

**Item:** Resolution authorizing the District Attorney to apply for retroactively, accept and expend funds in the amount of \$236,141 which includes indirect costs of \$11,245 based on five percent of the total grant award.

**Grant Amount:** \$236,141

**Grant Period:** July 1, 1993 through June 30, 1994

**Source of Funds:** State Office of Criminal Justice Planning (OCJP)

**Project:** Career Criminal Prosecution

**Description:** This would be the fifteenth year of funding for this State mandated program (Chapter 2.3 of the California Penal Code, commencing Section 999B). The Career Criminal Program provides specialized, intensive prosecution focused on repeat offenders involved in robberies and residential burglaries, and ultimately seeks the prosecution and maximum period of incarceration of the "career criminal."

The primary objectives of the program include identifying recidivist offenders, expeditiously and effectively prosecuting these offenders, and incarcerating these offenders for the maximum term authorized by the law. Other objectives include eliminating or reducing the use of plea bargaining, reducing the caseload for career criminal prosecutors and investigators, and using vertical prosecution (i.e., the use of one prosecutor per case from the initial filing or appearance to sentencing) with career criminal cases.

<b>Project Budget:</b>	<b><u>Personnel</u></b>	<b><u>FTEs</u></b>	<b><u>Salaries</u></b>
	Head Attorneys	0.70	\$60,186
	Principal Attorneys	1.05	73,602
	Investigators	0.70	21,120
	Investigative Assistants	0.35	13,182
	Legal Stenographer	<u>0.30</u>	<u>10,714</u>
	Subtotal Salaries	3.10	\$178,804
	<b><u>Mandatory Fringe Benefits</u></b>		<u><b>38,163</b></u>
	Subtotal Personnel Costs		\$216,967

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Operating Expenses

Travel (one grant-related two day conference in Southern California for two persons)	\$1,138	
Audit	2,360	
Office Supplies	765	
Postage	264	
Photocopy Rental/Supplies	1,137	
Telephones	1,607	
Legal Publications	<u>658</u>	
Subtotal Operating Expenses		\$7,929
Indirect Costs		<u>11,245</u>
Total Proposed Grant		\$236,141

Required Match: None

Indirect Costs: \$11,245 which is based on five percent of the total grant award.

Comments:

1. Attached is a copy of the Summary of Grant Request form, as completed by the District Attorney's Office.
2. The District Attorney's Office has completed a Disability Access Checklist, which is in the file.
3. The proposed grant award of \$236,141 represents the same grant amount that was provided to the District Attorney's Office for the Career Criminal Program in fiscal year 1992-93.
4. According to the District Attorney's Office, because the proposed grant is a continuation grant, the proposed grant funds were included in the DA's FY 1993-94 budget and funds have been expended. As such, the proposed resolution is retroactive to July 1, 1993.

Recommendation: Approve the proposed resolution.

Grantor Office of Criminal Justice Planning  
 Contact Person John Bolyin  
 Address 1130 K Street, Suite 300  
Sacramento, CA 95814  
 Amount Requested \$ 236,141  
 Term: From 07/01/93 To 06/30/94  
 Health Commission Board of Supervisors: Finance Committee

Division District Attorney's Office  
 Section \_\_\_\_\_  
 Contact Person Bridget Bane  
 Telephone (415) 553-1895  
 Application Deadline July 22, 1993  
 Notification Expected \_\_\_\_\_  
 Full Board \_\_\_\_\_

I. Item Description: Request to (apply for) (accept and expend) a (new) (continuation) (allocation) (augmentation to a)  
 (Circle appropriate words) grant in the amount of \$ 236,141 from the period of 7/1/93 to 6/30/94  
 to provide Career Criminal Prosecution services.

II. Summary: (Contact history, need addressed, number & groups served, services and providers)

The Career Criminal Program, a State mandated project, will begin its 15th year of funding. The underlying essence of the Career Criminal Program has not changed as the program is designed to be crime specific concentrating on the prosecution of cases involving robbery and residential burglary. The funding amount from the Office of Criminal Justice Planning for the FY93-94 will be \$236,141.

III. Outcomes/Objectives:

The recidivist offender who persist in the commission of these offenses has a significantly negative effect on the quality of life of law abiding S.F. citizens. Therefore, the most important objective for CCP is the prosecution and maximum period of incarceration of the "Career Criminal". See attachment for additional objectives.

IV. Effects of Reduction or Termination of These Funds:

The Career Criminal Program has proven to be effective as well as valuable to the citizens of the City and County of San Francisco, continued funding is being sought in order to maintain this project. The community will be negatively impacted should this type of prosecution be reduced or terminated.

V. Financial Information:

	Col. A	Col. B	Col. C	Col. D	Req. Match	Approved by
	Two Years Ago	Past Year/Orig.	Proposed	Change		
Grant Amount	\$259,755	\$259,755	\$236,141	-23,614		
Personnel	238,397	238,851	216,967	-21,884		
Equipment	n/a	n/a	n/a	-		
Contract Svc.	n/a	n/a	n/a	-		
Mat. & Supp.	826	765	765	-0-		
Facilities/Space	n/a	n/a	n/a	-		
Other	8,163	7,770	7,164	-606		
Indirect Costs	12,369	12,369	11,245	-1,124		

VI. Data Processing

(same included above)

n/a n/a n/a n/a

VII. Personnel

	10*	10*	10*	n/a
FT CSC				
PT CSC				
Contractual				

Positions at varying percentages-balance paid by District Attorney's General Fund.  
 Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:

See VII above.

Will grant funded employees be retained after this grant terminates? If so, How?

Grant funded employees will be retained contingent upon continued funding.

III. Contractual Services: Open Bid \_\_\_\_\_ Sole Source \_\_\_\_\_ (If sole source, attach Request for Exemption Form)



Item 1j - File 68-94-6

**Department:** Mayor's Office of Community Development (MOCD)

**Item:** Resolution approving the 1994 Emergency Shelter Grants Program and Expenditure Schedule and authorizing the Mayor to apply for, accept and expend a \$644,000 entitlement under the Emergency Shelter Grants Program from the U. S. Department of Housing and Urban Development.

**Grant Amount:** \$644,000

**Grant Period:** Two years from the date of approval

**Source of Funds:** U. S. Department of Housing and Urban Development

**Project:** Emergency Shelter Grants Program (ESGP)

**Description:** The MOCD advises that the proposed grant funds would be used to fund 20 non-profit agencies and the Department of Social Services (DSS) for the provision of services to homeless persons. According to the MOCD, these grant funds would specifically be used to (1) provide for essential or social services to homeless persons, (2) pay for maintenance or operating expenses at homeless facilities (such as rent, utilities, furniture and insurance) and (3) develop and implement homeless prevention activities.

The MOCD reports that in response to its Request for Proposals issued on November 15, 1993, the MOCD received proposals from 25 agencies which provide services to homeless persons. Of the 25 proposals, a total of 20 non-profit agencies and the DSS have been identified by MOCD to receive grant awards.

**Budget:** Essential/Social Services

Asian Women's Shelter	\$12,000	
Catholic Charities/Richmond Hills		
Family Center	30,000	
Department of Social Services	95,000	
Golden Gate Community Services	12,500	
La Casa de las Madres	18,000	
People Place Services	6,700	
Swords to Plowshares	<u>19,000</u>	
Subtotal		\$193,200

Payment of Maintenance/Operating Expenses

Asian Women's Shelter	\$18,000	
Central City Hospitality House	12,000	
Chemical Awareness and Treatment Svcs.	26,750	
Dolores Street Community Center	20,000	
Episcopal Community Services	40,000	
Friendship House Assoc. of American Indians	13,000	
Hamilton Family Center	50,000	
Jewish Family and Children's Services	6,000	
La Casa de las Madres	31,750	
Larkin Street Youth Center	26,000	
Larkin Street/Diamond Youth Shelter	16,000	
People Place Services	23,300	
Salvation Army	35,000	
United Council of Human Services	<u>10,000</u>	
Subtotal		\$327,800

Homeless Prevention

American Red Cross - Bay Area	\$63,000	
Bar Association/Homeless Advocacy Project	20,000	
Catholic Charities Family Services	<u>20,000</u>	
Subtotal		103, 000

MOCD Administrative Overhead \* 20,000

Total \$644,000

\* The MOCD advises that the Federal grantor allows up to 5 percent of the grant monies to be used for administrative overhead costs. The \$20,000 represents 3 percent of the grant award.

**Required Match:** \$644,000 - approved in the 1994 Community Development Block Grant (CDBG) budget

**Indirect Costs:** Indirect Costs in the amount of \$80,000 are included under the 1994 CDBG budget for both the CDBG and the ESGP.

**Comments:** 1. Attached is a grant summary, as prepared by the MOCD, for the proposed grant award.

2. A Disability Access Checklist has been prepared by the MOCD for the program and is on file with the Clerk of the Board's Office.

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**BUDGET ANALYST**



Memo to Government Efficiency and Labor Committee  
February 1, 1994 Government Efficiency and Labor Committee Meeting

**Recommendation:** Approve the proposed resolution.

## Grant Application Information Form

A document required to accompany a proposed resolution  
Authorizing a Department to Apply for a Grant

To: The Board of Supervisors  
Attn: Clerk of the Board

The following describes the grant referred to in the accompanying resolution:

Department: MAYOR'S OFFICE OF COMMUNITY DEVELOPMENT

Contact Person: JON PON Telephone: 554-8952

Project Title: EMERGENCY SHELTER GRANTS PROGRAM FY 1994

Grant Source: HUD

### Proposed (New / Continuation) Grant Project Summary:

The Emergency Shelter Grants Program is an annual program that the City can apply for to enhance homeless shelters and related services.

The grant will be divided among 19 nonprofit agencies working with homeless people. Most of the funding will be used to support existing homeless facilities by paying for some of the operational and maintenance expenses. Other funding will be used to hire staff to improve services to the homeless and to help prevent others from becoming homeless. The nonprofit agencies are recommended for funding after a RFP process and careful review with the Citizens Committee on Community Development.

Amount of Grant Funding Applied for: \$644,000

Maximum Funding Amount Available: \$644,000

Required Matching Funds: \$644,000 (approved in 1994 CDBG)

Number of Positions Created and Funded: NONE

Amount to be Spent on Contractual Services: \$624,000

Will Contractual Services be put out to Bid? RFP completed for non-profit agencies.

Term of Grant: Two years from approval

Date Department Notified of Available funds: January 14, 1994

Application Due Date: February 27, 1994

Grant Funding Guidelines and Options (from RFP, grant announcement or appropriations legislation):

Only entitlement cities or counties can apply for the ESGP. Based on a HUD formula, San Francisco is eligible to apply for \$644,000 for FY 94.

Funds from the ESGP will be distributed to nonprofit agencies for one or more of the following activities relating to emergency shelter for the homeless. They are (1) provision of essential or social services to the homeless: (2) Payment of maintenance and operation expenses such as rent, repair, utilities, insurance, and furnishings: and (3) developing and implementing homeless prevention activities. Both essential services and homeless prevention activities are each limited by HUD regulations to 30% of the City's grant amount.

  
\_\_\_\_\_  
Department Head Approval



Memo to Government Efficiency and Labor Committee  
February 1, 1994 Government Efficiency and Labor Committee Meeting

Item 1k - File 146-94-1

**Department:** Department of Public Health (DPH), -- --  
Homeless Programs

**Item:** Resolution authorizing the Department of Public Health to accept and expend a grant of \$90,000, which includes indirect costs in the amount of \$10,000, from the Episcopal Diocese of California for provision of services for homeless persons and for the purchase of medical equipment, and providing for ratification of action previously taken.

**Grant Amount:** \$90,000

**Grant Period:** December 1, 1993 through June 30, 1994 (seven months)

**Source of Funds:** The Episcopal Diocese of California

**Description:** The DPH would use the proposed grant funds to (1) pay for contract services to provide basic support services (i. e., shelter) as well as referral to appropriate agencies for homeless persons and (2) pay for medical equipment for the Tom Waddell Clinic.

Mr. Fred Milligan of the DPH advises that the Department intends to contract with Catholic Charities for the necessary contract services. According to Mr. Milligan, Catholic Charities has an existing contract with the DPH, which would be modified to include the provision of the services noted above. Mr. Milligan reports that the DPH has not, as yet, selected the specific medical equipment to be purchased for Tom Waddell Clinic.

<b>Budget:</b>	<u>Contract Services</u>	
	Resource and Entitlement Specialist (FTE 0.6)	\$16,467
	Fringe Benefits	7,622
	Administrative Overhead	<u>3,074</u>
	Subtotal	\$27,163
	<u>Medical Equipment</u>	52,837
	<u>Indirect Costs</u>	<u>10,000</u>
	Total	\$90,000

**Required Match:** None

**Indirect Costs:** \$10,000

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

**Comments:**

1. As noted above, the DPH has not, as yet, selected the specific medical equipment to be purchased. Therefore, the proposed legislation should be amended to reserve the \$52,837 earmarked for the equipment, pending the DPH's submission of the detailed costs of the equipment.
2. The DPH advises that the Department was not required to submit an application for the proposed grant funds.
3. The DPH reports that expenditures have been incurred against the proposed grant funds. As such, the proposed legislation provides for ratification of action previously taken.
4. Attached is a Summary of Grant Request, as prepared by the DPH, for the proposed grant program.
5. The DPH has prepared a Disability Access Checklist for the proposed grant program which is on file with the Clerk of the Board's Office.

- Recommendations:**
1. Amend the proposed resolution to reserve \$52,837 earmarked for equipment, pending the DPH's submission of the detailed costs of the equipment.
  2. Approve the proposed resolution as amended.



Item No. \_\_\_\_\_

Health Commission - Summary of Grant Request

Rev. 4/10/90

Grantor The Episcopal Diocese of California Division CPHS  
 Contact Person Holly McAlpen Section Homeless Programs  
 Address 1055 Taylor Street Contact Person Fred Milligan  
San Francisco, CA 94108 Telephone 554-2670  
 Amount Requested \$ 90,000.00 Application Deadline \_\_\_\_\_  
 Term: From 12/1/93 To 6/30/94 Notification Expected \_\_\_\_\_  
 Health Commission \_\_\_\_\_ Board of Supervisors: Finance Committee \_\_\_\_\_  
 Full Board \_\_\_\_\_

I. Item Description: Request to ~~(apply for)~~ (accept and expend) a (new) (~~continuation~~) (allocation) (~~augmentation~~)  
 (Circle appropriate words) grant in the amount of \$ 90,000 from the period of 12/1/93 to 6/30/94  
 to provide services to homeless persons and medical equipment for  
Tom Waddell Clinic.

II. Summary: (Concise history; need addressed; transfer + groups served; services and providers)

Request to accept and expend retroactively a grant of \$90,000 from The  
Episcopal Diocese of California for 1) basic needs services and linkage to  
resources for homeless persons; 2) medical equipment following the renovation  
and expansion of Tom Waddell Clinic.

III. Outcomes/Objectives:

1000 clients per year provided basic needs services and linkage to services by a  
resource and entitlement specialist.

IV. Effects of Reduction or Termination of These Funds:

Denial of support services to homeless persons results in lack of access to  
health care, mental health and substance abuse programs. Insufficient medical  
equipment impedes provision of health care services.

V. Financial Information:

	Col. A	Col. B	Col. C	Col. D	Req. Match	Approved by
	Two Years Ago	Past Year/Orig.	Proposed	Change		
Grant Amount			90,000			
Personnel						
Equipment			27,163			
*Contract Svc.			52,837			
Mat. & Supp.						
Facilities/Space						
Other						
Indirect Costs			10,000			

VI. Data Processing

(none included above)

VII. Personnel

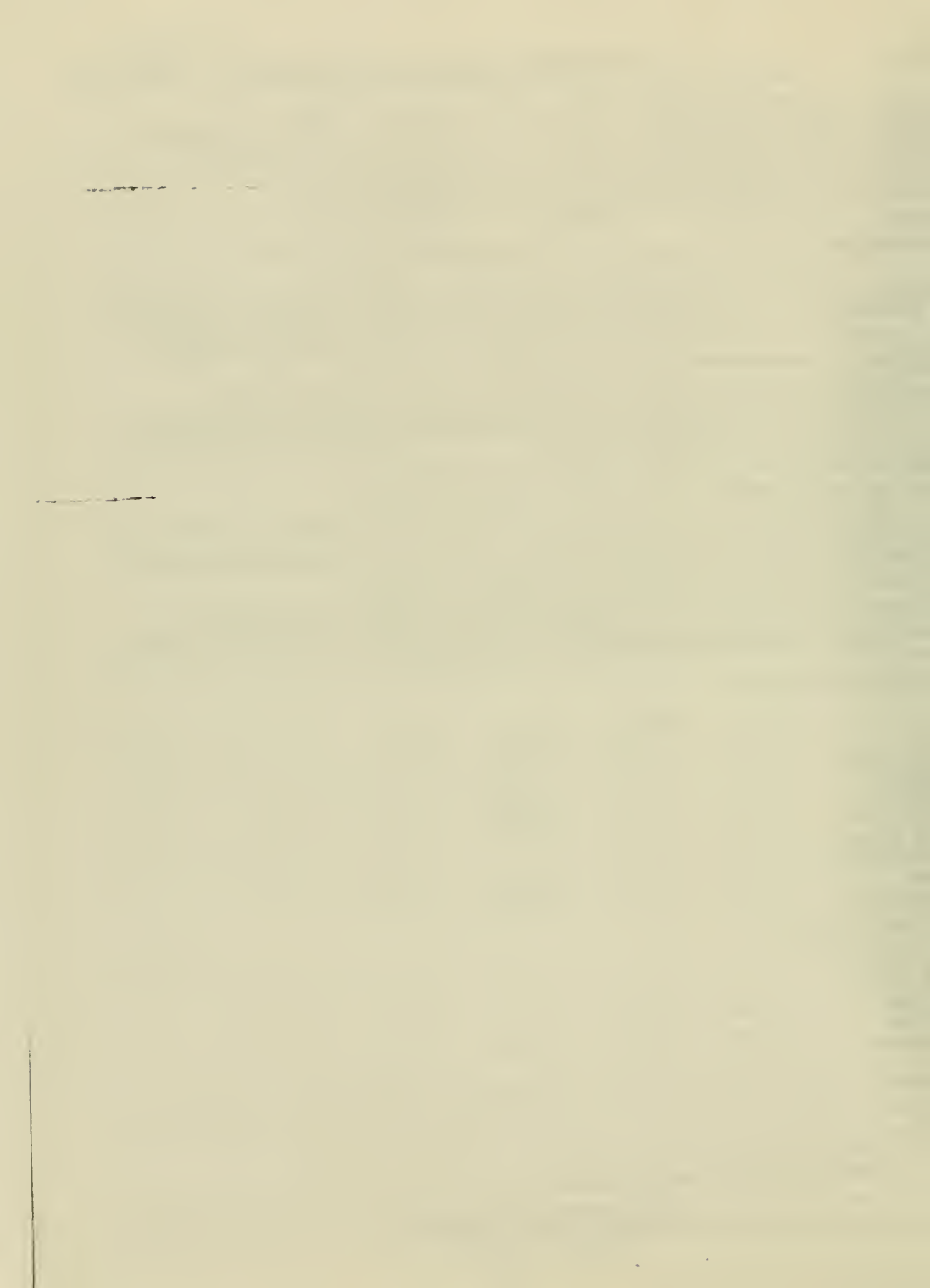
F/T CSC				
P/T CSC				
Contractual			1	

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:

Will grant funded employees be retained after this grant terminates? If so, How?

Grant is for one 7-month term only.

\*VIII. Contractual Services: Open Bid \_\_\_\_\_ Sole Source ☒ (If sole source, attach Request for Proposals Form.)



Item 11 - File 148-94-1

**Department:** Department of Public Works (DPW)

**Item:** Resolution authorizing the Director of Public Works to retroactively apply for, accept and expend \$1,997,000 in Federal funds for various Public Works projects.

**Grant Amount:** \$1,997,000

**Grant Period:** July 1, 1994 through June 30, 1997 (see Comment #3)

**Source of Funds:** Federal Surface Transportation Program (STP)

**Project:** Pedestrian Walkway Improvements

**Description:** The proposed Federal grant funding would be used by the DPW for three pedestrian walkway improvement projects including 1) downtown sidewalk widenings (on Fourth Street and Geary Boulevard), 2) sidewalk improvements fronting City-maintained public properties and around City-maintained trees and 3) construction of a pedestrian alley on Ecker Street, from Elim Alley to Mission Street.

**Project Funding:** The preliminary cost estimate and associated funding sources as provided by the DPW are as follows:

Sidewalk Widenings

	<u>Proposed Grant</u>	<u>Local Match</u>	<u>Project Total</u>
<u>Contractual Services</u>			
Contract Cost	\$1,163,000	\$151,000	\$1,314,000
Contingencies	<u>116,000</u>	<u>15,000</u>	<u>131,000</u>
Subtotal	\$1,279,000	\$166,000	\$1,445,000
<u>DPW-Bureau of Engineering</u>			
Design & Construction			
Management	<u>78,000</u>	<u>66,000</u>	<u>144,000</u>
<b>TOTAL PROJECT COST</b>	<b>\$1,357,000</b>	<b>\$232,000</b>	<b>\$1,589,000</b>

Sidewalk Improvements

	<u>Proposed Grant</u>	<u>Local Match</u>	<u>Project Total</u>
<u>DPW-Bureau of Subdivisions,</u>			
<u>Surveys and Mapping</u>			
Construction Management	\$17,000	\$9,000	\$26,000
<u>Bureau of Building Repair</u>			
Construction	<u>356,000</u>	<u>167,000</u>	<u>523,000</u>
TOTAL PROJECT COST	\$373,000	\$176,000	\$549,000

Pedestrian Alley

<u>DPW-Bureau of Engineering</u>			
Design & Engineering	\$24,000	\$16,000	\$40,000
<u>Bureau of Building Repair</u>			
Construction	<u>243,000</u>	<u>114,000</u>	<u>357,000</u>
TOTAL PROJECT COST	<u>\$267,000</u>	<u>\$130,000</u>	<u>\$397,000</u>
TOTAL BUDGET (all three projects)	\$1,997,000	\$538,000	\$2,535,000

**Required Match:** \$538,000 - The funding source for this required local match will be Sales Tax revenue from the San Francisco Transportation Authority.

**Indirect Costs:** The Federal Surface Transportation Program does not permit the inclusion of indirect costs in grant awards.

**Comments:** 1. The Disability Access Checklist is on file with the Clerk of the Board.

2. The Summary of Grant Request Form, as prepared by the DPW, is attached.

3. According to Mrs. Karen Gelman of the DPW, the DPW has already applied for the subject grant funds, thus the proposed resolution authorizes the Director of Public Works to retroactively apply for, accept, and expend the proposed grant funds. Mrs. Gelman reports that the DPW has neither received nor spent any of the proposed grant funds.

4. The DPW has not yet selected the contractor for the proposed Sidewalk Widening project (the only project using an outside contractor for construction services). Therefore, the \$1,279,000 of the proposed grant funds which is budgeted for sidewalk widening contractual services and contingencies should be reserved pending the selection of the contractor, the MBE/WBE status of the contractor, and the contract cost details.

**Recommendations:** 1. Reserve \$1,279,000 pending the selection of the contractor, the MBE/WBE status of the contractor, and the contract cost details.

2. Approve the proposed resolution as amended.

File No. \_\_\_\_\_

Letter of Intent to File a Grant Application  
(submitted in triplicate)

To: The Board of Supervisors  
Attn: Clerk of the Board

Request for authorization to submit a grant application as described below:

Department: Public Works

Contact Person: Karen Gelman 554-8235

Project Title: Transportation Finance Specialist

Grant Source: Surface Transportation Program

Proposed (New / Continuation) Grant Project Summary:

DPW is proposing three pedestrian projects including downtown sidewalk widenings (on Fourth Street and Geary Street), sidewalk improvements fronting city-maintained public properties and around city-maintained trees, and construction of a pedestrian alley on Ecker Street, from Elm Street to Mission Street.

Amount of Grant Funding Applied for: \$1,997,000

Maximum Funding Amount Available: \$1,997,000

Required Matching Funds: \$538,000

Number of Positions Created and Funded: 0

Amount to be Spent on Contractual Services: \$1,445,000

Will Contractual Services be put out to Bid? Yes



Letter of Intent to File Grant Application  
Page 2

Term of Grant: FY 1994-95 through FY 1996-97

Date Department Notified of Available funds: July 1993

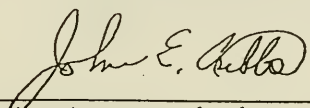
Application Due Date: September 1993

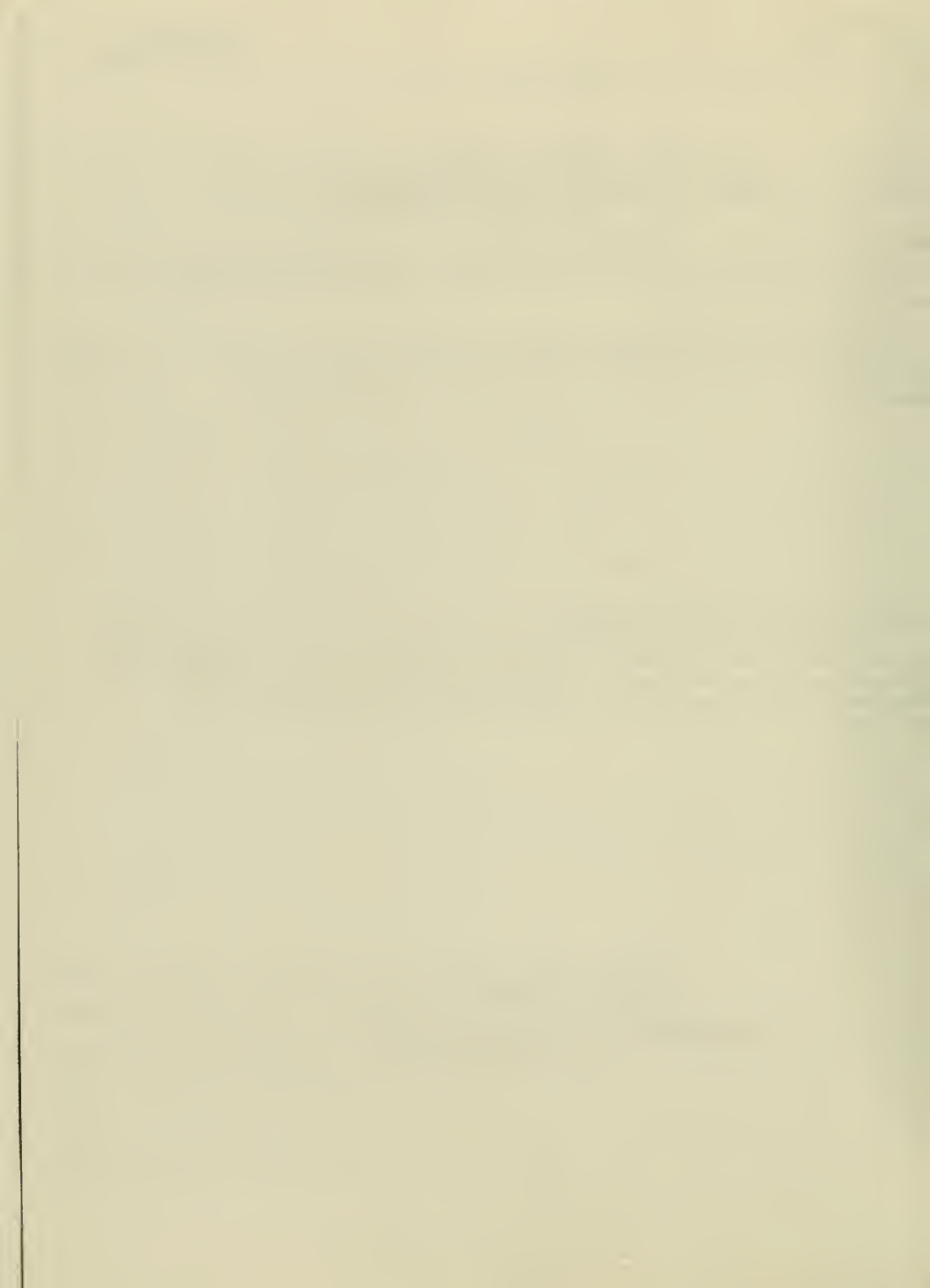
Grant Funding Guidelines and Options (from RFP, grant announcement or appropriations legislation):

Federal Highway Administration (FHWA) funding guidelines, as administered by the California Department of Transportation (Caltrans).

Assessment of Need for Grant Funding:

DPW has identified a number of pedestrian improvements, including sidewalk widenings and repair and improving pedestrian alleys, which will increase safety for pedestrians in congested areas of the City.

  
\_\_\_\_\_  
Department or Commission Approval



Memo to Government Efficiency and Labor Committee  
February 1, 1994 Government Efficiency and Labor Committee Meeting

Item 1m - File 148-94-2

**Department:** Department of Public Works (DPW)

**Item:** Resolution authorizing the Director of Public Works to expend up to \$1,172,241 from the State of California for roadway work on City streets in accordance with the State-Local Transportation Partnership Program (4th cycle); foregoing reimbursement of indirect costs.

**Grant Amount:** Up to \$1,172,241

**Grant Period:** June 30, 1992 to June 30, 1995

**Source of Funds:** California Department of Transportation

**Description:** The Board of Supervisors previously authorized the DPW to apply for and accept funds granted under the State-Local Transportation Partnership Program on a continuing basis over the ten-year life of the program. The State-Local Transportation Partnership Program was created for the purpose of funding transportation improvements throughout the State. The proposed grant funds would provide monies for the fourth year of the program.

The proposed grant funding would be used by the DPW to pay for contractual services associated with the concrete reconstruction and resurfacing of various City streets.

Project Funding:	State Grant	Local Match	Project Totals
<b><u>Reconstruction</u></b>			
20th St.: De Haro - Rhode Island, Elsie St.: Coso - Esmeralda, 22nd St.: Diamond - Eureka, Duboce Ave.: Castro - Divisadero and Rhode Island St.: Southern Heights - 22nd St.	\$355,603	\$1,229,786	\$1,585,389

**Resurfacing**

Natoma St.: 7th St. - 9th St. & 10th St. - So. end.	28,571	98,807	127,378
Bryant St.: Division St. - 17th St.	43,123	149,135	192,258
Bartlett St.: 21st St. - Army St.	49,457	171,037	220,494
Alabama St.: Treat Ave. - Army St.	190,983	660,481	851,464
Clipper St.: Castro St. - Dolores St.	45,733	158,158	203,891

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Memo to Government Efficiency and Labor Committee  
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	State <u>Grant</u>	Local <u>Match</u>	Project <u>Totals</u>
Castro St.: 18th St. - 30th St.	\$153,543	\$531,001	\$684,544
Buchanan St.: Herman St. - Grove St.	42,703	147,680	190,383
Sutter St.: Webster St. - Presidio Ave.	87,705	303,312	391,017
25th St.: Hampshire St. - Florida St.	16,541	57,202	73,743
Loomis St.: Industrial St. - McKinnen Ave.	<u>158,279</u>	<u>547,380</u>	<u>705,659</u>
Total	\$1,172,241	\$4,053,979	\$5,226,220

**Required Match:** \$4,053,979 - The funding source for this required local match will be Sales Tax revenue from the San Francisco Transportation Authority.

**Indirect Costs:** The State-Local Transportation Partnership Program does not permit the inclusion of indirect costs in grant awards.

**Comments:** 1. The Disability Access Checklist is on file with the Clerk of the Board.

2. The Summary of Grant Request Form, as prepared by the DPW, is attached.

3. According to Mr. Joe Ovadia of the DPW, the DPW has not yet selected the contractors for the proposed concrete reconstruction and resurfacing projects. Therefore, the \$1,172,241 should be placed on reserve pending the selection of the contractors, the contract cost details and the MBE/WBE status of the contractors.

**Recommendation:** Amend the proposed resolution to reserve \$1,172,241, pending selection of contractors, the contract cost details and the MBE/WBE status of the contractor. Approve the proposed resolution as amended.

Item No. \_\_\_\_\_

## Summary of Grant Request

Rev. 4/10/90

Grantor State of California, CaltransContact Person Moe ShakerniaAddress 111 Grand Avenue  
Oakland, CA 94623-0660Amount Requested \$ up to 1,172,241Term: From 6-30-92 To 6-30-95

Health Commission \_\_\_\_\_

Board of Supervisor's Finance Committee \_\_\_\_\_

Full Board \_\_\_\_\_

Division Bureau of EngineeringSection Project ManagementContact Person Joe OvadiaTelephone (415)554-8250

Application Deadline \_\_\_\_\_

Notification Expected \_\_\_\_\_

**I. Item Description:** Request to (apply for) (accept and expend) a (new) (continuation) (allocation) (augmentation to a) grant in the amount of \$1,172,241 from the period of 6-30-92 to 6-30-95 to provide for rehabilitation of roadway projects. services

**II. Summary:** (Concise summary of project, including a brief description of the project and its purpose)

This grant will partly fund construction for resurfacing and reconstruction of 15 streets under the State-Local Transportation Partnership Program Cycle No. 4.

**III. Outcomes/Objectives:**

Extends useful life of roadway by 10 years.

**IV. Effects of Reduction or Termination of These Funds:**

The City will do less paving projects.

**V. Financial Information:**

	Col. A Two Years Ago	Col. B Past Year/Old	Col. C Proposed	Col. D Change	Req. Match	Approved by
Grant Amount	1,641,493	1,044,335	1,172,241			
Personnel						
Equipment	1,641,493	1,044,335	1,172,241			
*Contract Svc.						
Mat. & Supp.						
Facilities/Space						
Other						
Indirect Costs						

**VI. Data Processing**

(Leave indicated blank)

**VII. Personnel**

F/T CSC \_\_\_\_\_

P/T CSC \_\_\_\_\_

Contractual \_\_\_\_\_

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:  
Sales Tax \_\_\_\_\_

Will grant-funded employees be retained after this grant terminates? If so, How?

N/A. Grant money is used for contractual services.

**VIII. Contractual Services:** Open Bid X Sole Source \_\_\_\_\_ (If sole source, attach Request for Proposals Form)





Item 1n File 172-94-1

**Department** Chief Administrative Officer (CAO)

**Item:** Resolution authorizing the Chief Administrative Officer to enter into (a) a first amendment to and (b) a consent to assignment of the Management Agreement for Moscone Convention Center, Brooks Hall and the Civic Auditorium.

**Description:** In November of 1990, the City entered into an agreement with Facility Management Incorporated (FMI) of California for the management of Brooks Hall, Civic Auditorium and Moscone Convention Center. In March of 1991, the City agreed to an assignment of this agreement from Facility Management Incorporated of California to Spectacor Management Group. Spectacor Management Group is now proposing to assign an interest in this agreement to Thigpen Limited Inc., a City-certified MBE firm.

The proposed resolution would authorize the City to enter into an amended agreement whereby (1) the City consents to Spectacor Management Group assigning a 25 percent interest in the agreement to Thigpen Limited, (2) the City consents to Thigpen Limited and Spectacor Management Group further assigning their respective interests in the agreement to Moscone Center Joint Venture, a joint venture comprised of Spectacor Management Group and Thigpen Limited and (3) the CAO would be permitted to exercise the agreement option to renew the agreement for a term of five years (July 1, 1994 through June 30, 1999).

Currently, under the management agreement, Spectacor Management Group is responsible for managing the overall operations of the above-noted convention facilities. Under the proposed amended agreement, Thigpen Limited would provide some assistance in managing the operations of the convention facilities in general but would primarily focus on the managing of food concessions within these facilities.

**Comments:** 1. The CAO advises that the current five-year term of the agreement is July 1, 1990 through June 30, 1995. Under this agreement, the City reimburses Spectacor Management Group staffing and operating costs associated with the management of the convention facilities and in addition pays Spectacor Management Group a flat management fee. For FY 1993-94 the City will reimburse Spectacor Management Group a total of \$9,921,687 for staffing and operating costs. The current agreement stipulates that the City pay a management fee of \$220,000 for FY 1990-91, with a \$10,000

fee increase per year for each additional year of the term of the contract. Spectacor Management Group has been paid a \$250,000 management fee by the City for FY 1993-94.

2. The proposed amended agreement would extend the term of the agreement an additional four years from the June 30, 1995 current agreement expiration to the proposed expiration date of June 30, 1999 and would continue to provide for the annual management fee to be increased by \$10,000 per year for each additional year of the term of the agreement. Under the proposed amendment to the agreement, the maximum annual management fee that would be paid by the City over the term of the agreement would be \$300,000 (\$250,000 plus 5 years x \$10,000 per year).

**Recommendation:** Approve the proposed resolution.

Item 10 - File - 94-91-4.10

**Department**                      Public Utilities Commission (PUC)  
   Municipal Railway (MUNI)

**Item:**                              Request for release of reserved funds for the MUNI 24th and Utah Street Shop Replacement Project.

**Amount:**                        \$561,870

**Source of Funds:**           Section 9 Federal Transit Administration Funds and local match funds.

Required local match of \$3,453,780. Such local match resources included: State Transit Capital Improvement funds, State Urban Rail Bond funds, State Clean Air and Transportation Improvement Act Bond funds, State Transit Assistance funds, State Transportation Development Act, Bridge Toll Net Revenues, Gas Tax Revenues, Hetch Hetchy funds, Gas Tax Revenues, San Francisco Municipal Railway Improvement Corporation funds, and/or the San Francisco County Sales Tax Revenues.

**Description:**                   The Board of Supervisors previously authorized the Public Utilities Commission to apply for, accept, and expend Federal Section 9 Capital Assistance funds in the amount of \$13,815,120 plus \$3,453,780 in required State and/or local match funds, for a total of \$17,268,900 for eight Municipal Railway Projects (Resolution No. 529-91, File 94-91-4). Of the \$17,268,900, \$561,870 was reserved for contractual services related to the MUNI 24th and Utah Street Shop Replacement Project. These funds were placed on reserve pending submission of the project budget and contractual details.

The 24th and Utah Street Shop Replacement Project entails planning and engineering services to convert this facility to a trolley paint and body shop.

The PUC is now requesting that \$561,870 be released to be used as follows:

Contractual Services

Gannett Fleming, Inc. (3,262.2 hours at \$85/hour)      \$277,289

<u>PUC Staff</u>	<u>Hours</u>	<u>Salary, Fringe &amp; Overhead</u>
<b>Project Management</b>		
Project Manager	576	\$46,680
Site Remediation Review & Hazardous Materials Analysis	168	12,596
Alternative Layout Review	288	20,927
Agency Communications	88	7,131
Construction Oversight	<u>554</u>	<u>30,247</u>
Subtotal Project Management	1,674	117,581
<b>Conceptual Engineering</b>		
Project Manager	208	\$16,856
Conceptual Engineers	1,968	145,009
Contingency	<u>      </u>	<u>5,135</u>
Subtotal Conceptual Engineering	2,176	167,000
Total Requested Release of Reserve		<u>\$561,870</u>

**Comments:**

1. Gannett Fleming, Inc. currently provides engineering services to the PUC for several MUNI projects, including the 24th and Utah Street Shop Project. The PUC intends to amend the existing contract with Gannett Fleming, Inc. to provide 3,262.2 hours of additional engineering services. PUC's original contract with Gannett Fleming, Inc. was \$2.1 million. The contract augmentation amount of \$277,289 would represent an increase of 13.2 percent.

2. Gannett Fleming is neither a MBE nor a WBE firm. However, Gannett Fleming, Inc. has a goal to subcontract \$74,313 or approximately 26.8 percent of the contract augmentation to MBE and/or WBE firms. This goal has been included in Gannett Fleming's contractual agreement with the PUC.

**Recommendation:** Release the requested \$561,870 reserved funds.

Item 1p - File - 94-91-4.11

**Department** Public Utilities Commission (PUC)  
Municipal Railway (MUNI)

**Item:** Request for release of reserved funds for BART/MUNI Metro  
Subway Dry Standpipe Replacement Project.

**Amount:** \$982,721

**Source of Funds:** Section 9 Federal Transit Administration Funds

**Description:** The Board of Supervisors previously authorized the Public Utilities Commission to apply for, accept, and expend Federal Section 9 Capital Assistance funds in the amount of \$13,815,120 plus \$3,453,780 in required State and/or local match funds, for a total of \$17,268,900 for eight Municipal Railway Projects (Resolution No. 529-91, File 94-91-4). Of the \$17,268,900, \$2 million was placed on reserve for contractual services, project administration and indirect costs for a joint BART/MUNI Metro subway safety improvement project of converting dry standpipes to wet standpipes. These funds were placed on reserve pending submission of a project budget and identification of contractors.

A standpipe is a pipe in a structure that carries water from the street level to different locations of the structure as a source of water to the Fire Department during emergencies. Dry standpipes require the Fire Department to provide the water from an outside source while wet standpipes are already connected to the water supply. The requested release of reserve would be used to convert the current dry standpipe system to a wet standpipe system.

The PUC is now requesting that \$982,721 be released from the reserved funds to provide the City's portion of the Wet Standpipe Project in the BART/MUNI Metro subways. BART has assumed responsibility for selecting the contractor for this project and will be providing construction management services. The City is responsible for paying its share of both the construction contract and BART's expenses. In addition, MUNI employees would be required to work on the project.

The City, through the PUC, entered into a Joint Powers Agreement with BART in 1976 and amended the Joint Powers Agreement in 1986 to share maintenance expenses associated with joint BART/MUNI stations that are owned by BART and used by MUNI. These stations include the MUNI stations from Embarcadero to Castro and the West Portal



and Forest Hills stations. This agreement requires the City to pay 50 percent of maintenance expenses. The total cost of the Wet Standpipe System Project at these stations is \$1,822,000, of which the City is responsible for paying \$911,000 or 50 percent.

In addition, the City would provide approximately 1,621 hours or \$71,721 of MUNI personnel time to operate vehicles and related machinery in the subway during construction. Such vehicle operation would consist of deenergizing the overhead power system in the subway and operating Light Rail Vehicles (LRV) in the subway as needed during the Wet Standpipe System Project.

BART has selected the second lowest bidder, Scott Company, to convert dry standpipes to wet standpipes. BART selected Scott Company whose bid was \$1,474,000 or \$423,888 higher than the lowest bid of \$1,050,112 from Grinnel Fire Protection Systems Co. BART selected Scott Company because they met BART's Disadvantaged Business Enterprise (DBE) goal of 20 percent.

**Budget:**

	<u>Amount</u>
<u>Contractors</u>	
Scott Company (Construction)	\$737,000
Bechtel Engineering (Construction Management)	<u>65,500</u>
Total Contractors	\$802,500
<u>BART</u>	
Project Engineering & Construction Oversight	\$66,000
Maintenance of BART Furnished Light Rail equipment	31,000
BART Inventory Costs for Light Rail Vehicles	<u>11,500</u>
Total BART	\$108,500



Memo to Government Efficiency and Labor Committee  
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	<u>Hours</u>	<u>Salary, Fringe &amp; Overhead</u>
<u>MUNI</u>		
Electrical Line Worker	1,332	\$60,050
Power House Electrical Supv.	20	1,044
Transit Power Line Worker		
Supv. II	31	1,743
Transit Power Line Supv. I	32	1,636
Track Maint. Supv. I	103	4,169
General Laborer	<u>103</u>	<u>3,079</u>
Total MUNI	1,621	<u>71,721</u>

Total Requested Release of Reserve \$982,721

**Comments:**

1. According to Mr. John O'Neill of MUNI, the City's agreement with BART indicates that only MUNI personnel can operate vehicles and related machinery in MUNI's subways. Thus, MUNI included 1,621 hours or \$71,721 to operate MUNI vehicles and related machinery that would be used during the Wet Standpipe Project.

2. Bechtel Engineering designed the Wet Standpipe System for the BART/MUNI subway stations. MUNI included \$65,500 for Bechtel Engineering to provide on-site construction management during the construction phase in order to make any required design modifications.

**Recommendation:** Release the requested \$982,721 reserved funds.



Memo to Government Efficiency and Labor Committee  
February 1, 1994 Government Efficiency and Labor Committee Meeting

Items 1q and 1r - Files 94-92-3.3 and 94-91-10.4

**Department:** ~~Public Utilities Commission (PUC)~~  
~~Municipal Railway (MUNI)~~

**Items:** Requesting release of reserved funds, Public Utilities Commission, in the amount of \$1.2 million, for construction contracts, for MUNI Metro Extension to Sixth Street Project (File 94-92-3.3).

Requesting release of reserved funds, Public Utilities Commission, in an amount totaling \$4,880,000, for MUNI Metro Extension to Sixth Street Project (File 94-91-10.4).

**Amounts to Be Released:** \$1.2 million (File 94-93-3.3)  
\$4,880,000 (File 94-92-20.4)

**Description:** In January, 1992, and July, 1992, the Board of Supervisors authorized two resolutions allowing the PUC to apply for, accept and expend two separate grants to support the MUNI Metro Extension to Sixth Street Project. The MUNI Metro Extension to Sixth Street Project will extend the MUNI Metro Light-Rail System (LRV) from the proposed terminus at Harrison Street on the Embarcadero initially south to Sixth Street. The extension, a 1.8 mile double-track, would run between a relocated MUNI Metro Turnback on the Embarcadero to the Caltrain depot, with an adjoining terminal at Sixth Street. This stop lies within the proposed Mission Bay project area. The trackway would follow an alignment in the median of a rebuilt Embarcadero Boulevard to the median of King Street, rebuilt as a boulevard leading to and from the new I-280 on and off ramps. It would include four new stations within the Embarcadero and King Boulevard medians at the probable locations at Hills Plaza/Rincon Hill, Townsend/Embarcadero, Second/King Street and Fourth/King Streets (Caltrain Depot).

Of the \$3 million MUNI Metro Extension Project portion of the first grant, \$1.2 million was reserved for construction contracts pending selection of a contractor and information regarding the MBE/WBE status of the contractors. The PUC is now requesting that this \$1.2 million be released (File 94-93-3.3).

Of the total \$20.5 million MUNI Metro Extension Project portion of the second grant, \$4,880,000 million was reserved, including a \$500,000 reserve for outside professional services, \$500,000 for track purchase, and \$3,880,000 for construction contracts. However, the PUC has revised its original budget, and is now requesting that the entire \$4,880,000 be released to support the construction phase of the project (File 94-91-10.4).

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Memo to Government Efficiency and Labor Committee  
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The proposed construction contractors for the two grants (which support the same MUNL Metro. Extension Project), including the contract amounts and MBE/WBE status of the contractors, are listed below.

**Construction Contractors:**

<u>Name of Contractors</u>	<u>Purpose</u>	MBE/WBE <u>Status</u>	File 94-92-3.3 <u>Amount</u>	File 94-91-10.4 <u>Amount</u>
Del Secco	Concrete Coring	WBE	\$2,335	\$9,495
American Piledriving	Piledriving	No	11,107	45,168
R&W Concrete	Concrete	MBE	161,844	658,164
Westbay Equipment	Excavation	MBE	102,002	414,809
Liberty Builders	Track Concrete	MBE	30,011	122,046
Stacy Witback	Primary Contractor	No	<u>892,701</u>	<u>3,630,318</u>
TOTAL			\$1,200,000	\$4,880,000

**Comments:**

1. Stacy Witback is the primary contractor, while the remaining companies are subcontractors, according to Ms. Gail Bloom of the PUC. Ms. Bloom advises that the PUC received a total of three bids for this proposed project. Stacy Witbeck was the lowest bidder, Homer J. Olson was the highest bidder, and Morrison-Knudsen was the second lowest bidder, according to Ms. Bloom.

2. The MBE/WBE portion of the total \$1.2 million grant (File 94-92-3.3) is \$296,192, or 24.7 percent. The MBE/WBE portion of the total \$4,880,000 grant (File 94-91-10.4) is \$1,204,514, or 24.7 percent.

**Recommendation:**

Release the \$1.2 million and \$4,880,000 as requested.

Item 2 - File 51-93-3.2

1. This item is a hearing to consider the indemnification claim of a City employee, Mr. Roland Alcantara, in the amount of \$500.

2. An indemnification claim pertains to a demand for compensation arising from a loss or damage which a City employee has incurred while acting for the benefit of the City. The original amount of Mr. Alcantara's indemnification claim was for \$1,004.43 which, according to Mr. Alcantara, was based on the original estimate of damage to his privately-owned automobile sustained in an incident while working for the City. The damage to his automobile occurred on July 16, 1992. However, Mr. Alcantara reports that the actual cost of repairs was \$1,411.80. A claim certification letter to Mr. Alcantara from his automobile insurance company states that the insurance company made payment in the amount of \$911.80 to an automobile repair facility for repair of damage to Mr. Alcantara's automobile sustained in an act of vandalism on July 16, 1992. Mr. Alcantara states that he paid the remaining \$500 (\$1,411.80 less \$911.80), which is the amount of his automobile collision insurance deductible. Therefore, Mr. Alcantara is now requesting reimbursement of the \$500.

3. Mr. Alcantara, who holds a Civil Service Classification 4220, working as a Personal Property Auditor in the Assessor's Office, filed an indemnification claim with the City on July 22, 1992, seeking reimbursement for damage to his privately-owned automobile. According to the claim report, Mr. Alcantara's automobile was damaged on July 16, 1992, at approximately 10:30, a.m., on Scott Street between California and Pine Streets, in the City. Mr. Alcantara reports that he was on City business at the time. The claim report states that, as related in a note left on the automobile's windshield by a pedestrian who witnessed the incident, a grocery cart full of recycling bottles, left unattended by a "recycler," rolled down the street and hit the rear left door of Mr. Alcantara's parked automobile. The note further reported that the "recycler" who came to retrieve the grocery cart further damaged the automobile by kicking the left front fender.

**Comments**

1. This indemnification claim was previously heard with a number of other reimbursement requests from City employees at the November 17, 1993, meeting of the Government Efficiency and Labor Committee. At that meeting, the Controller recommended that no payment be made for the subject indemnification claim. Mr. John Madden of the Controller's Office states the Controller's Office has not changed its recommendation on the subject indemnification claim for the following reasons:

- a. There is no evidence of City responsibility;
- b. The Memorandum of Understanding (MOU) with Union Local No. 21 includes a provision whereby those employees in Mr. Alcantara's classification receive a monthly allowance over and above normal mileage reimbursement for using their privately-



owned automobiles. According to Mr. Madden, that allowance should cover such items as the deductible cost to cover the damage claim.

2. Mr. Madden states that there is no evidence of City responsibility because the City had no control over where Mr. Alcantara parked his automobile.

3. Mr. Alcantara reports that his insurance company considered the damage sustained by his vehicle to be the result of a "collision," which for his insurance policy contains a deductible of \$500, rather than "comprehensive" damage, which for his insurance policy contains a deductible of \$100.

4. The City's MOU with Union Local No. 21 includes a provision whereby City employees holding classification 4220, Personal Property Auditor, receive an automobile allowance of \$40 per month (\$480 annually) and are eligible for a mileage allowance of \$0.28 per mile. At the time of the incident, the automobile allowance was \$35 per month (\$420 annually).

5. In a letter to the Controller's Office dated November 29, 1993, the Assessor states that "According to the Deputy City Attorney, I should pay the deductible for employees who drive their vehicles and incur expenses as a result of, or in the course of their employment." However, as previously stated, the Controller's Office asserts that the automobile allowance should be used to cover such items as insurance deductibles.

6. Mr. Buck Delventhal of the City Attorney's Office has stated that the Assessor has asked the City Attorney for a written opinion concerning the City's indemnification responsibilities concerning City employees. That opinion is pending.

7. Mr. Madden states that funds are available for this employee claim indemnification, should the Board of Supervisors decide to indemnify the claim. The source of funds is Claims and Judgments, General Fund, included in the FY 1993-94 budget. As previously noted, the Controller's Office recommends disapproval of this requested claims payment.



Memo to Government Efficiency and Labor Committee  
February 1, 1994 Government Efficiency and Labor Committee Meeting

Item 3 - File 64-94-1

**Department:** Real Estate Department  
~~Controller's Office~~

**Item:** Resolution authorizing execution of a lease amendment of an existing lease of real property at 160 Van Ness Avenue for the Controller's Office.

**Location:** 160 South Van Ness Avenue

**Purpose of Lease:** Office space for the Payroll/Personnel Division of the Controller's Office.

**Lessor:** Ms. Trudy Cohn and Ms. Dorothy Cohn

**No. of Sq. Ft. and Cost/Month:** 15,000 square feet at \$0.75 per square foot or \$11,323 per month.

**Annual Cost:** \$135,876

**% Increase over 1993-94:** None

**Utilities and Janitor Provided by Lessor:** None

**Term of Lease:** July 1, 1994 to June 30, 1999 (with two, two-year options to extend the lease)

**Source of Funds:** General Fund (to be included in the Controller's 1994-95 budget)

**Comments:**

1. This office space has been rented by the Controller's Office since March 11, 1983. The current lease for this office space which expires on July 1, 1994, does not contain any options to extend the lease. Thus the proposed lease amendment would extend the lease through June 30, 1999.
2. According to Mr. Steve Legnitto of the Real Estate Office, under the terms of the proposed lease agreement, the rent shall remain at its present amount of \$11,323 monthly, until July 1, 1996, when the first annual CPI increase will take effect.
3. Mr. Legnitto reports that the proposed rent represents the fair market value for the property.

Memo to Government Efficiency and Labor Committee  
February 1, 1994 Government Efficiency and Labor Committee Meeting

**Recommendation:** Approve the proposed resolution.

Item 4 - File 65-94-3

**Department:** Port of San Francisco

**Item:** Ordinance approving a lease agreement between Osgood Warehouse Company dba San Francisco Port Cargo Sourcing (Exchange) Co. and the City and County of San Francisco, operating by and through the San Francisco Port Commission for import/export warehousing and sourcing<sup>1</sup>; and non-contiguous extension of Foreign Trade Zone #3<sup>2</sup>.

**Location:** Pier 48 and Seawall Lot 337, China Basin, Port of San Francisco

**Purpose of Lease:** Under the proposed lease, Osgood Warehouse Company would use Port space at Pier 48 and Seawall Lot 337 for various import/export warehousing and sourcing activities and for the non-contiguous extension of Foreign Trade Zone #3. The tenant may provide space for personnel and offices of users for the above purposes and other related operations at public warehouse rates.

**Lessor:** City and County of San Francisco

**No. of Sq. Ft.** Approximately 219,670.3 sq. ft. of warehouse and yard space at Pier 48; approximately 37,365 sq. ft. of open space at Seawall Lot 337.

**Rent Payable by Osgood Warehouse Company to Port:** \$15,100.80 per month (\$181,209.60 annually)  
(See Comment No. 1)

**Term of Lease:** 10 years, commencing February 1, 1994 or as soon as practicable following approval by the Board of Supervisors, according to Mr. Roger Peters of the Port.

**Rent Commencement Date:** May 1, 1994

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<sup>1</sup>Sourcing is the practice of taking domestic commodities, e.g., frozen chickens or cotton, and loading them into ocean shipping containers. Cargo sourcing is an important component in the competition among ports for business. If cargo that is destined for a ship calling at the Port of San Francisco can be sourced from the Port of San Francisco, the savings in transportation costs that accrue to the shipper, compared to what the cost of sourcing would be if the commodity had to be sourced out of Oakland, can be significant, thus enhancing the Port of San Francisco's competitive position.

<sup>2</sup>A Foreign Trade Zone is a location defined by the Federal Foreign Trade Zone Board that allows duty-free storage and handling of cargo. For example, alcoholic beverages coming into the Port's Foreign Trade Zone from overseas can be transferred to a cruise ship without paying duty on the beverages—at significant savings.

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**Right of Renewal:** None, except month-to-month holdover, which may be canceled by either party.

**Description:** According to information provided to the Budget Analyst by the Port, Pier 48, which is located at the mouth of China Basin, was operated as one of the Port's two newsprint terminals as recently as early 1992. Pier 48 has been vacant since May of that year. The Port's inability to use this Pier as a newsprint terminal is the result of the Pier's inability to continue accommodating ships used in the newsprint trade. The accumulation of silt and other materials impeded access to Pier 48 and the cost of dredging that would be required to clear the silt and other materials was judged by the Port to be economically infeasible.

Port staff evaluated potential uses of Pier 48 and determined that cargo warehousing and sourcing and other related uses would be the highest and best use of Pier 48. Port staff informally solicited interest in operating Pier 48 as a cargo warehousing and sourcing facility from five companies in the cargo warehousing and sourcing business and received preliminary responses from two such companies. On August 25, 1993, the Port Commission directed Port staff to solicit best and final proposals from the two interested companies. Osgood Warehouse Company was the only company to submit a best and final offer.

**Comments:** 1. The details of the rental rate provisions for the first four years of the proposed lease are as follows:

\$15,100.80/mo. derived as follows:

Base rent, based on rates of \$0.064/square foot for 219,670.3 sq. ft. of warehouse and space (Pier 48) (\$14,157.67); \$0.025/s.f. for 37,365 sq. ft. of paved space in adjacent Seawall Lot 337 (\$943.13)

Commencing on the first day of the 41st month following the Commencement Date of the lease and the first day of each successive fortieth month thereafter, the Base Rent would be adjusted for the succeeding 40 months in direct proportion to the percentage increase in the Cost of Living Index compared to the Cost of Living Index on the Commencement Date.

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2. With respect to the Port's leasing authority, Section 3.581 (g) of the Charter provides that "Leases and franchises granted or made by the port commission shall be administered exclusively by the operating forces of the port commission." With the exception of a very few departments that include the Port, the Airport, and the Convention Facilities Management Department, leases of City property are managed by the Director of Property. Charter Section 7.402 provides that the "director of property shall arrange for such lease...to the highest responsible bidder at the highest monthly rent.

3. Section 23.24 of the Administrative Code, "Competitive Bidding," urges City departments to use competitive bidding for all leases that would produce more than \$1,500 per month in revenues, notwithstanding the legal requirement for that department to use competitive bidding. Section 23.24 states in part:

to the extent that any ordinance or charter provision gives the City, or any of its commissions...power to award leases without competitive bidding, it is recommended that, notwithstanding such power, all such leases...be awarded to the highest responsible bidder in accordance with competitive bidding procedures, unless such bidding procedures are impractical or impossible.

4. The process of acquiring a lessee for Pier 48 and adjacent Seawall Lot 337 was based on an "informal solicitation"<sup>3</sup> effort by Port staff, at the direction of the Port Commission. Port Commission Resolution No. 93-159, which authorized the Executive Director of the Port to enter into a lease agreement with Osgood Warehouse Company for lease of Pier 48, includes within the Resolution the statement that "application of competitive bidding procedures to a lease of Pier 48 would be impractical or impossible."

5. Ms. Betsy Dietrich of the City Attorney's Office reports that following an extensive review by that Office of the City Charter, applicable Administrative Code provisions, and other pertinent regulations the City Attorney determined that an informal leasing process is legal and proper.

6. Section 2.6-1 of the Administrative Code, "Policy Relative To Approval Of Lease And Concession Agreements," may be

<sup>3</sup>Without formal announcement and use of competitive bidding.



relevant to the proposed lease agreement. Section 2.6-1 is quoted, in part, as follows:

Whenever in accordance with the provisions of the Charter, any officer, board or commission of the City and County submits a proposed lease or agreement for concession privileges to be operated in or upon any property or facility of the City and County to the Board of Supervisors for its approval or disapproval, except where the Board of Supervisors finds that the bidding procedures or insurance requirements are impractical or impossible, it shall be the policy of said board (1) to approve only such proposals as have been awarded to the highest responsible bidder in accordance with competitive bidding procedures, and (2) to approve only such leases as require the lessee to provide property insurance in the name of the City and County ....

7. Osgood Warehouse Company, dba Foreign Trade Services, Inc., also has a 10 year management agreement with the Port to operate the Port's Foreign Trade Zone. That management agreement, approved by the Board of Supervisors on March 21, 1988, was also based on an informal process, as reported by Mr. John Neudecker of the Port. Osgood Warehouse Company currently pays monthly rent to the Port in the amount of \$17,946.76, or \$0.059 per square foot on a total of 304,182 square feet.

8. Mr. Neudecker reports that regarding the proposed cargo warehousing and sourcing use of Pier 48 and the adjacent Seawall Lot 337, in addition to the rent generated by use of the space, such uses will result in additional revenues to the Port from wharfage<sup>4</sup> charges generated by the warehousing and sourcing operation.

9. An Agenda Summary Sheet prepared by Port staff for the December 15, 1993, Port Commission meeting states in part that "Basic rent is \$170,000 per year, plus rent of \$.025 per square foot for 37,365 square feet of space in adjacent Seawall lot 337. This results in monthly rent of \$15,100.80....Port and Tenant have agreed to exclude the north and south stringers from the premises, so these areas can still be used to generate revenue from water dependent uses....Earlier proposals from Osgood indicated rent of \$250,000."

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<sup>4</sup>Wharfage is the charge or payment for the use of a wharf.



Mr. Neudecker has stated in a memorandum on the lease with Osgood that the "rent of \$170,000 was reduced from an earlier offer of \$250,000 for two reasons."

- "1) The Port negotiated that Tenant be responsible for approximately \$400,000 in improvements to the facility which otherwise would have been paid for by the Port through rent credits. Negotiations further excluded the stringers from the leasehold as well as a portion of the facility currently being used by another tenant. Finally, an additional amount was charged for adjacent seawall property."
- "2) Tenant's business faces difficulty. The last year has seen an overall downturn in public warehousing rates. Some Bay Area warehouses (in Oakland for instance) are now charging from a third to a half of what they were able to get just a year ago. Since negotiations began, certain shipping lines have left or announced their intention to leave San Francisco. Tenant's business contemplated significant business from these particular lines for which Oakland operations now have a geographic advantage."

10. The proposed lease agreement includes a provision whereby the Port would apply to the Federal government for a non-contiguous extension of its Foreign Trade Zone to include Pier 48. The Port's current Foreign Trade Zone, which is also operated by Osgood Warehouse Company, the proposed lessee of Pier 48, consists of Pier 19/23. The Port has agreed to accept the legal and administrative cost of applying for an extension of its Foreign Trade Zone. The application fee is \$1,600.

11. Monthly rental payments would be paid to the Port by Osgood Warehouse Company. The proposed lease agreement does not provide for any additional revenues that would be payable to the Port from Osgood Warehouse Company should the Port secure a Foreign Trade Zone designation for Pier 48. According to Mr. Roger Peters, Director of Cargo Services at the Port, a Foreign Trade Zone designation represents a significant value to Osgood Warehouse Company and to the Port.

12. Mr. Peters has informed the Budget Analyst that almost all of the Port's leases of space for industrial and maritime uses, such as the subject proposed lease, are accomplished using an informal, negotiation process. Mr. Peters also advises the Budget Analyst that the Port has a lease rental policy. However, the Budget Analyst notes that the referenced

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policy is primarily concerned with providing a basic formula for the negotiation of rentals and licenses and does not provide a checklist or guide for all of the actions required to effectively execute a lease. The Budget Analyst also notes that paragraph 13 of the referenced policy states that "No bidder shall be allowed to make more than one bid for the same lease opportunity." (See Comment No. 9)

13. Mr. Peters has provided the Budget Analyst with a listing of rental payments received by the Port for what he regards as space comparable to that of Pier 48. That listing is as follows:

<u>Pier</u>	<u>Operator</u>	<u>Monthly Rent</u>	<u>Revenue per square foot per month</u>	<u>Uses</u>
19/23	Foreign Trade Services	\$17,946.76	\$0.059	Foreign Trade Zone
15/17	Parking Warehouse	17,483.95	0.045	Cargo Sourcing (Cotton)
48	Forest Terminals (prior lease)	18,750.00	0.085	Newsprint Marine Terminal
48	Osgood (proposed lease)	15,100.00	0.069	Cargo Sourcing (various)
50	Western Rim	2,916.00	0.014	Cargo Sourcing

Mr. Peters reports that the variance in the revenues per square foot the Port receives on a monthly basis on its maritime/industrial leases is due to (1) long-term leases that are adjusted only on a CPI basis, (2) the desirability of the specific location, and (3) labor rates companies must pay at specific locations.

14. The Budget Analyst notes that the proposed monthly rent for Seawall Lot 337 is only \$0.025 per square feet. Mr. Peters was asked to provide rents of comparable sites and has responded to that inquiry as follows:

The rationale for the per square foot rental rate of 2.5¢ per foot for the storage yard at Seawall Lot 337 has been questioned through a request for "comps" (competitive rates). Port staff notes that the inclusion of the storage yard in the premises is due to operational deficiencies in Pier 48 itself as relates to adequate storage area to hold full and empty containers awaiting loading or unloading. The rental revenue for the Pier 48 lease should be

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evaluated in its totality, not on a piece-meal basis, since the storage area is an essential element of the whole.

15. The Budget Analyst notes that the proposed lease agreement contains a provision whereby "in the event that Tenant is completely unable to operate its business at the Premises for five (5) or more consecutive business days due to labor unrest or a labor strike, Base Rent shall be abated for the period that Tenant is unable to operate its business, provided, however, that in the event such labor unrest or strike continues for longer than sixty (60) days, then Port may terminate this Lease without penalty upon ten (10) days prior written notice to Tenant." Mr. Peters has provided the following information to the Budget Analyst regarding that provision:

Much of the controversy about Pier 48 involves labor issues. Although tenant employs workers belonging to an ILWU local, other locals in the ILWU have opposed this tenancy. As a result, although jurisdictional issues seem resolved, tenant remained concerned about labor unrest and asked for this provision. Staff negotiated that any such provision go two ways. Tenant is provided such rent relief for only a limited time. In the case of a prolonged work stoppage, besides the rent abatement, the cargo generating value of the operation would diminish and become less valuable to the Port. Therefore, we have the right to terminate after 60 days.

16. Mr. James Herman, a member of the Port Commission, has written a letter to the members of the Government Efficiency and Labor Committee. In that letter, Mr. Herman expresses numerous concerns about the process used to select the Osgood Warehouse Company for the proposed Pier 48 and Seawall Lot 337 lease. (See Attachment). A summary of Mr. Herman's assertions are as follows:

- It was an inside deal;
- Minority and women contractors were de facto excluded;
- The award of an additional lot was entirely improper;
- The lease minimizes Port revenues;
- Strike "rent relief" language is unprecedented;
- The Free Trade Zone designation to the Pier 48 tenant creates a monopoly.
- Osgood Warehouse Company revised its proposal downward from \$250,000 to \$170,000 once Mr. Osgood found out that he was the only bidder.

**BOARD OF SUPERVISORS**  
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17. The Budget Analyst requested through Mr. Peters that the Port specifically respond to these assertions in order to provide such information to the Board of Supervisors. Mr. Peters reports that after consultation with the Executive Director of the Port, Mr. Dennis Bouey, the decision has been made to not respond to those assertions, as of the writing of this Report, because of a lack of time to respond adequately.

18. Mr. Ed Lee, Executive Director of the Human Rights Commission (HRC) has advised the Budget Analyst that leases are not covered by the MBE/WBE/LBE Ordinance and that therefore, the HRC did not participate in the process of selecting a tenant for Pier 48 and Seawall Lot 337.

19. Mr. Lee has further advised that the HRC has been working with the Port Commission to establish an affirmative action policy for Port leases.

20. Although a Port policy on leasing space through an informal process does exist, the Budget Analyst questions the execution of that policy in this instance. The policy does not adequately justify the practice of not using competitive bidding for Port leases. Furthermore, even if an informal selection process were justifiable for such leases, we further question why an attempt was not made to extend the process to other potentially interested lessees if only two prospective tenants expressed initial interest in the property and only one prospective tenant, the Osgood Warehouse Company, submitted a written offer.

**Recommendation:** Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



**James R. Herman  
635 Connecticut Street  
San Francisco, California 94107**

January 25, 1994

Supervisor Terence Hallinan, chairman  
Supervisor Carole Migden, member  
Supervisor Barbara Kaufman, member  
Government Efficiency and Labor Committee  
City Hall

Dear Mr. Chairman and Members,

On December 15 the San Francisco Port Commission voted 4-1 to accept a bid by Osgood Warehouse Co., dba San Francisco Port Cargo Sourcing, for the operation of Pier 48. I was the sole dissenting vote on this matter. Many questions regarding this lease were not resolved to my satisfaction during that hearing. Because my fellow commissioners--apparently prompted by pressure from the Mayor's office--were in a great hurry to have this lease approved, I was not granted the two-week extension I requested to seek responses to my questions, even though I was willing to support the award the lease to Mr. Osgood if these concerns could be addressed.

I therefore had no choice but to advise the Commission, on the public record, that I was so troubled by these issues that I would continue to raise them with the Board of Supervisors. I do so now, solely as an individual and as an interested citizen. Based on my observations and detailed review of the documents, I believe that the following issues require your committee's full review:

\* It was an inside deal: The City's laws requiring a formal competitive bid process were not followed. Instead, a very limited number of businesses--no more than five--were notified of the opportunity to lease Pier 48, a former marine terminal. A questionnaire was put out rather than a formal bid proposal as has been used for other port leases. This document was unclear as to whether the property was to be used as a warehouse or as a marine terminal, thereby substantially shrinking the number of operators who might have met the Port's qualifications.

As a result of these irregularities, only one current Port tenant--Osgood Warehouse--responded. I have reason to believe that many others would have been interested in leasing warehouse space had the conditions and qualifications been stated accurately. Once Mr. Osgood found out that he was the only bidder, he revised his proposal substantially downward, from \$250,000 to \$170,000.

In addition, the ten-year term of the lease was contrary to what the Commission had authorized Cargo Services to seek. At the direction of one Commissioner, the staff negotiated the lease without following the standard practice of first bringing the results of the informal solicitation to the full Commission as they committed to doing in August when they requested authority to accept bids. Nor did the staff provide the Commission with any analysis of the Pier 48 proposal with respect to how it compared to other Port property or private warehouses.

\* Minority and woman contractors were de facto excluded: As a result of these irregular methods, there was no outreach to minority or other communities in accordance with the City's Human Rights requirements. There were no facts or circumstances presented to the Commission to justify any exemptions to the City's competitive bid laws aimed at opening new opportunities for women and minorities.

After a sharp protest from the Coalition for Economic Equity, the Hispanic Contractors Association and the Hispanic Chamber of Commerce I sought a two-week delay in awarding the lease until those charges could be explored and further discussions held. That courtesy, normally afforded any Commissioner, was denied to me.

\* The award of an additional lot was entirely improper: Seawall Lot 337, consisting of 40,000 square feet, was included in the lease at 2.5 cents per square foot without prior authorization of the full Commission. The staff made no effort to contact other adjacent tenants to determine whether they would be interested in the property at a more appropriate price.

\* The lease minimizes port revenues: Major loopholes in the lease afford the tenant great freedom in making his own subleasing arrangements. This is contrary to usual Port procedures which are quite restrictive in this area.

From my knowledge of warehouse operations I have observed that this type of business inherently involves sub-leasing space to other operators. If such sub-leasing at Pier 48 is anticipated because of the nature of this business, the lease should allow the Port to share in the profits, and should be consistent with the sub-lease language under which other tenants operate.

\* Strike "rent relief" language is unprecedented: The language which grants relief of lease payments in the event of a strike is entirely unprecedented in any port in this country that I am familiar with. Insulating a particular tenant from the effect of a strike creates a "strike benefit" to the lessee, and discriminates against other tenants who do not enjoy such privileges.

In this connection, my many objections to this lease are not "union issues," and in no way are related to my former status as



International President of the ILWU. It is worth noting that ILWU Local 6 under any circumstances would have jurisdiction with Osgood Warehouse.

\* FTZ designation to Pier 48 tenant creates a monopoly:  
This lease gives Osgood Warehouse a monopoly over the operation of yet another Foreign Trade Zone--a duty-free zone for goods in transit--at the Port of San Francisco. Mr. Osgood has operated the FTZ in the northern waterfront and this lease give him an extension of that zone at another location for an additional ten years. This means that the Port is tying up a valuable concession for the next ten years, a concession which could have opened up important new business opportunities to minority or women contractors.

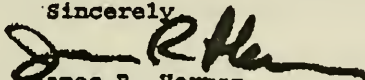
I firmly believe that women and minorities need to be given opportunities to run more than just shops and restaurants at our waterfront and this lease would have offered that sort of opportunity.

This seriously flawed contract was presented as a fait accompli, on the assumption that the Port's urgent need for income would drive the Commissioners to accept an arrangement which did not adequately protect the interests of the City and its taxpayers. I am of course fully aware of the Port's serious and immediate need for revenue. But that doesn't mean we can short-circuit our obligation to make sure that the City gets the best possible deal from such transactions, and to enforce policies to open up new business opportunities for those who have for so long been excluded.

I therefore respectfully request that your committee exercise its prerogative to closely examine the terms of the Pier 48 lease with an eye to whether appropriate city procedures were followed, and recommend any remedial steps it deems necessary.

Thank you for your consideration.

Sincerely



James R. Herman

cc. Supervisor Kevin Shelley  
Supervisor Willie B. Kennedy  
Supervisor Susan Leal  
Stan Jones, Budget Analyst



Memo to Government Efficiency & Labor Committee  
February 1, 1994 Government Efficiency & Labor Committee Meeting

Item 5 - File 65-94-4

**Department:** Port of San Francisco

**Item:** Ordinance approving a lease agreement between Park Express and the City and County of San Francisco, operating by and through the San Francisco Port Commission for parking lot operations.

**Location:** Seawall Lot 330 (Beale Street and the Embarcadero) and Pier 30-32 (Bryant Street and the Embarcadero)

**Purpose of Lease:** Park Express would utilize Port space at Seawall Lot 330 and Pier 30-32 for general surface parking lot operations.

**Lessor:** City and County of San Francisco

**No. of Sq. Ft.** Approximately 124,065 sq. ft. of open paved space at Seawall Lot 330; approximately 53,002 sq. ft. of open pier space at Pier 30

**Rent Payable by Lessee to Port:** \$30,817.67 per month (\$369,812.04 annually) adjusted by the Consumer Price Index (CPI) beginning in the second year, with a base of July 1993

**Term of Lease:** 3 years, commencing five business days after final adoption of an ordinance of the Board of Supervisors approving the proposed lease

**Right of Renewal:** None, except month-to-month holdover, which may be canceled by either party.

**Description:** Seawall Lot 330 is currently leased to Excelsior (parking lot operator), which uses the space to operate a public parking facility. That lease agreement requires that Excelsior make monthly payments to the Port in the amount of \$9,106.65 for Seawall Lot 330. Pier 30-32 is currently operated by the Port as a monthly public parking facility.

The existing lease with Excelsior expired on March 1, 1993. Excelsior is continuing to operate the space on a month-to-month basis at that rate.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Memo to Government Efficiency & Labor Committee  
February 1, 1994 Government Efficiency & Labor Committee Meeting

According to Port documents, the bid package for Seawall Lot 330 and Pier 30-32 was formally issued on October 1, 1993. Ms. Dorothy Schimke of the Port reports that the Port received a total of four bids and that Park Express was selected on the basis of its bid being the highest. Port documents also state that Port staff reviewed the financial statements and the experience qualifications of the bidders, and that Park Express met the minimum qualifications.

The proposed lease agreement contains a provision giving an option to Park Express to lease an additional 59,189 square feet of Piers 30-32. Park Express would pay \$9,825.37 per month for the additional 59,189 square feet of Piers 30-32, which may be rescinded by the Port at any time should the Port require the space for other uses.

**Comments:**

1. The details of the rental rate provisions for the first year of the proposed lease and the lease options for the space at Piers 30-32 are as follows:

Year 1:	\$30,817.67/month, based on a rate of	
	\$0.174/s.f. for 177,067 sq. ft. of space	\$30,817.67
Option:	\$9,825.37/month, based on a rate of	
	\$0.166/s.f. for 59,189 sq. ft. of space	<u>9,825.37</u>
	Total	\$40,643.04

In subsequent years the rents shown above would be adjusted by changes in the CPI.

2. The four bids received by the Port were as follows:

<u>Name of Bidder</u>	<u>Amount of Bid</u>
Park Express	\$30,817.67
Thomas	\$28,000.00
CarPark	\$27,177.76
Excelsior	\$12,508.08

3. The Port Commission in its Resolution No. 93-163 dated December 15, 1993, approved the award of the lease to Park Express.

**Recommendations:** Approve the proposed lease.

Item 6 - File 222-94-1

- Department** Department of Human Resources,  
Employee Relations Division (ERD)
- Item:** The proposed ordinance would require the Department of Human Resources to provide the Board of Supervisors with an itemized accounting of the costs of any Memorandum of Understanding submitted to the Board of Supervisors for ratification or awarded by arbitration pursuant to collective bargaining.
- Description:** The proposed ordinance provides that (1) when a Memorandum of Understanding is submitted to the Board of Supervisors for ratification, the Department of Human Resources must, at the same time, submit an itemized accounting of all costs of such Memorandum of Understanding and (2) when an arbitration award is made pursuant to collective bargaining provisions, the Human Resources Department must submit an itemized accounting of all costs of such arbitration award to the Board of Supervisors within 10 working days of the issuance of the final written arbitration decision.
- Comments:**
1. Mr. Carl Bunch of the Human Resources Department, Employee Relations Division, states that he supports the proposed legislation. However, Mr. Bunch advises that the Employee Relations Division does not have the staffing capability to provide the proposed itemized accounting of all costs of each Memorandum of Understanding and arbitration award submitted to the Board of Supervisors, as stipulated by the proposed legislation. According to Mr. Bunch, historically, the Employee Relations Division has requested the Controller's Office to provide, on an as needed basis, any detailed accounting information required in connection with processing a given Memorandum of Understanding or arbitration award. As of the writing of this report, Mr. Bunch was unable to provide an estimate of what it would cost if the Employee Relations Division were required to provide such information.
  2. Mr. John Madden of the Controller's Office believes that, (1) in the interest of containing costs and (2) in view of the 10 working day turn-around time in which the above-noted information would have to be provided for arbitration awards, that the proposed ordinance should be amended to provide for a less detailed general cost analysis as opposed to "an itemized accounting of the costs" of a given Memorandum of Understanding or arbitration award. Mr. Madden advises

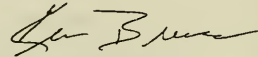
**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



(1) that the annual cost to perform such analysis would vary depending upon the complexity and number of Memorandums of Understanding and arbitration awards processed in a given year and (2) that there would be some undetermined incremental costs associated with such analysis.

3. On February 2, 1994, the Budget Committee will consider two items (Items 5 and 6) to amend the agreement between the Budget Analyst and the Board of Supervisors to provide that the Budget Analyst must report to the Board of Supervisors on the estimated cost of all Memoranda of Understanding submitted to the Board of Supervisors for approval.

**Recommendation:** Approval of the proposed ordinance is a policy matter for the Board of Supervisors.



*for* Harvey M. Rose

cc: Supervisor Hallinan  
Supervisor Kaufman  
Supervisor Migden  
President Alioto  
Supervisor Bierman  
Supervisor Conroy  
Supervisor Hsieh  
Supervisor Kennedy  
Supervisor Leal  
Supervisor Maher  
Supervisor Shelley  
Clerk of the Board  
Chief Administrative Officer  
Controller  
Teresa Serata  
Robert Oakes  
Ted Lakey

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



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BOARD OF SUPERVISORS  
CITY AND COUNTY OF SAN FRANCISCO

TUESDAY, FEBRUARY 15, 1994

2:00 P.M.

ROOM 228, CITY HALL

MEMBERS: Supervisors Terence Hallinan, Barbara Kaufman, Carole Migden

CLERK: Joni Blanchard

\* \* \* \* \*

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In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

## CONSENT CALENDAR

1. All matters listed hereunder constitute a Consent Calendar, are considered to be routine, and will be acted upon by a single roll call vote. There will be no separate discussion of these items unless a member of the Committee or the public so requests, in which event the matter shall be removed and considered as a separate item:
  - a. File 153-93-1.1. [Federal Challenge Grant - Dept. of Social Services] Resolution authorizing Department of Social Services to accept and expend a Federal Challenge Grant allocation from the State Department of Social Services, Office of Child Abuse Prevention, in an amount of \$4,559.50 to provide child abuse and neglect prevention intervention services in Federal Fiscal Years October 1993 - September 1995; granting the Department's request for a waiver of the City's indirect costs and authorizing the General Manager of the Department of Social Services to sign the application/assurance form. (Department of Social Services)
  - b. File 94-94-1. [1994-95 State Grant for 6 Muni Railway Projects] Resolution authorizing PUC to apply for, accept, and expend \$3,903,020 from 1994-95 State Transit Capital Improvement funds and an equal amount of local matching funds to provide financing for 6 Municipal Railway projects. (Public Utilities Commission)
  - c. File 147-94-1. [Public Library - Project Read] Resolution authorizing City Librarian to apply retroactively for, accept and expend funds in an amount not to exceed \$51,056, including indirect costs of 5% of the total grant amount, of California State Library Funds for tutor/student support and outreach services for Project Read through June, 1994. (Public Library)
  - d. File 25-94-1. [Prop. J. Certification] Resolution concurring with Controller's certification that janitorial services for 1660 Mission Street can be practically performed by private contractor for lower cost than similar work services performed by City and County employees. (Real Estate Department) (FISCAL IMPACT)
  - e. File 25-94-2. [Prop. J. Certification] Resolution concurring with Controller's certification that security services for 1660 Mission Street can be practically performed by private contractor for lower cost than similar work services performed by City and County employees. (Real Estate Department) (FISCAL IMPACT)
  - f. File 82-94-1. [Easement Deed - Santa Clara Valley Water District] Resolution authorizing acceptance of an easement for Bay Division Pipeline Nos. 3 and 4 across the Guadalupe River from the Santa Clara Valley Water District. (Real Estate Department)
  - g. File 89-94-4. [SDI Coverage for Classification 1373] Resolution authorizing enrollment of Classification 1373, Special Assistant XIV, in the State Disability Insurance Program. (Employee Relations Division)

- h. File 89-94-5. [SDI Coverage for Classification 1120] Resolution authorizing enrollment of Classification 1120, Director, Department of Animal Care and Control, in the State Disability Insurance Program. (Employee Relations Division)
- i. File 89-94-6. [SDI Coverage for Classification 1367] Resolution authorizing enrollment of Classification 1367, Special Assistant VIII, in the State Disability Insurance Program. (Employee Relations Division)
- j. File 89-94-7. [SDI Coverage for Classification 9775] Resolution authorizing enrollment of Classification 9775, Senior Community Development Specialist II, in the State Disability Insurance Program. (Supervisor Conroy)
- k. File 172-93-35. [Contract Agreement] Resolution approving a new freeway agreement in accordance with the revised plan of State Highway Route 280 from State of California and approving certain action in connection therewith. (Department of Public Works)  
(FISCAL IMPACT)  
(Consideration continued from 2/1/94)
- l. File 172-94-5. [1993-94 State Child Care Development Contract] Resolution authorizing execution of agreement between San Francisco and the State of California Department of Education in the amount of \$124,761 for participation by City and County in the State's Child Care Development Program for FY 1993-94. (Department of Social Services)
- m. File 94-91-8.6. [Release of Reserved Funds] Hearing requesting release of reserved funds, PUC, Federal Section 9 funds, in the amount of \$1,839,004, for Trolley Bus Fleet project implementation activities. (Public Utilities Commission)
- n. File 94-92-7.2. [Release of Reserved Funds] Hearing requesting release of reserved funds, PUC, Federal Section 9 Funds, in the amount of \$937,721, to purchase spare parts for the Trolley Bus Fleet. (Public Utilities Commission)
- o. File 148-92-4.4. [Release of Reserved Funds] Hearing requesting release of reserved funds, Public Works, in the amount of \$721,500 for Webster Street and Clarendon Avenue Pavement Renovation Project; see File 101-91-63.4. (Department of Public Works)
- p. File 133-93-2.1. [Release of Reserved Funds] Hearing requesting release of reserved funds, Solid Waste Management Program, in an amount totalling \$25,866 (\$20,000 for graphic design services to develop promotional materials such as posters, signs, flyers, brochures and booklets, and \$5,866 to obtain data list of San Francisco businesses used to identify and categorize local businesses by SIC code and employee size). (Solid Waste Management Program)
- q. File 140-93-3.1. [Release of Reserved Funds] Hearing requesting release of reserved funds, Fire Department, in the amount of \$7,600 for computer software for an Arson Early Warning System. (Fire Department)

ACTION:

REGULAR CALENDAR

2. File 97-93-66. [Communications Regulatory Commission] Ordinance amending Administrative Code by adding Chapter 22C to create a Communications Regulatory Commission and repealing Sections 11.40, 11.41, 11.42, 11.43, and 11.44 concerning the Telecommunications Policy Committee. (Supervisor Bierman)  
(FISCAL IMPACT)

(Chair may entertain a motion to continue this item)

(Consideration continued from 1/19/94)

ACTION:

3. File 97-93-37. [Board to Govern the Redevelopment Agency] Ordinance amending Chapter 24 of the Administrative Code by repealing current Sections 24.1, 24.1-1, and 24.4, which established a Redevelopment Agency, the number of its members, and their compensation; adding a new Section 24.1, declaring the Board of Supervisors to be the Redevelopment Agency for San Francisco; adopting findings; and setting an effective date of July 1, 1994. (Supervisor Hallinan)

(Chair may entertain a motion to continue this item)

ACTION:

4. File 221-94-1. [Human Resources Department] Ordinance implementing Charter Section 3.661, 3.662 and 3.663 by providing for transfer of all programs, staff and authority relating to the management and administration of health services of City employees and the transfer of all programs and staff relating to the policy, management and administration of the worker's compensation system to the Department of Human Resources. (Supervisors Kaufman, Leal, Shelley)

ACTION:

5. File 221-94-3. [Workers Compensation Efficiency Recommendations] Urging the Mayor to urge the appropriate City officials to implement efficiency measures in the medical services component of workers compensation programs; including negotiating preferred provider discounts for physicians receiving referrals as well as for health care providers affiliated with Compalliance PPO Network, and seeking immediate discounts and a rebidding of the existing contract with Saint Francis Memorial Hospital; requesting a report every sixty days on progress being made to implement these recommendations. (Supervisors Leal, Hsieh, Kaufman, Kennedy, Maher, Migden, Shelley)

ACTION:

6. File 93-94-1. [Amend MOU, Laborers International Union Loc 261] Resolution ratifying Letter of Agreement with Laborers International Union, Local 261. (Employee Relations Division)

ACTION:

7. File 68-94-7. [Home Program Funds] Resolution approving amendments to procedures for allocating Home Program funds; see Files 68-92-4.1 and 68-93-4.1. (Mayor's Office of Housing)

ACTION:



8. File 97-94-9. [Hold Harmless Agreements, Public Health] Ordinance amending Administrative Code by adding Section 1.42, authorizing the Health Commission to executive hold harmless agreements with Alameda County when contracting for certain mental health services. (Department of Public Health)

ACTION:

9. File 143-94-1. [Police Hiring Supplemental Program Grant] Resolution authorizing Chief of Police to retroactively apply for, accept and expend funds of \$2,000,000 for new funding for a 3-year project entitled "Police Hiring Supplement Program", plus a cash match of \$2,087,940; See Files 101-93-50 & 102-93-16. (Police Department)

ACTION:

10. File 65-94-6. [Lease Amendment - Santa Clara Sand and Gravel] Ordinance authorizing amendment to lease of Water Department land in Alameda County with Santa Clara Sand & Gravel. (Public Utilities Commission)

ACTION:

11. File 97-94-8. [Hold Harmless Agreements - PUC] Ordinance amending Administrative Code by adding Section 1.44, authorizing PUC to execute hold harmless agreements with the vendors of use transit vehicles. (Public Utilities Commission)

ACTION:

12. File 172-94-4. [Hold Harmless Agreement, PUC - Disputes Review Board] Resolution authorizing PUC to enter into hold harmless agreements with members of Advisory Muni Metro Turnback Construction Contract Disputes Review Board. (Public Utilities Commission)

ACTION:

13. File 97-94-2. [Time for Award of Contracts] Ordinance amending Administrative Code Section 6.1-2, relating to time for award of contracts for Federal and State grant and loan funded projects. (Department of Public Works)

ACTION:

14. File 97-94-7. [Hold Harmless Agreement] Ordinance amending Administrative Code by adding Section 1.45, authorizing Department of Social Services to enter into hold harmless agreements with the Regents of the University of California for providing services under agreements with Social Services. (Department of Social Services)

ACTION:

#### LITIGATION:

15. File 45-94-2. [Settlement of litigation/Juanita Hodge] Ordinance authorizing settlement of litigation of Juanita Hodge against San Francisco by payment of \$75,000. (Superior Court No. 943-751) (City Attorney)

ACTION:

16. File 45-94-3. [Settlement of litigation/Peggy Ann & Daniel McCarthy] Ordinance authorizing settlement of litigation of Peggy Ann McCarthy and Daniel J. McCarthy against San Francisco by payment of \$27,500. (Superior Court No. 923-666) (City Attorney)

ACTION:

17. File 45-94-4. [Settlement of litigation/David Ahlers] Ordinance authorizing settlement of litigation of David Ahlers against San Francisco by payment of \$19,000. (Superior Court No. 911-212) (City Attorney)

ACTION:

18. File 45-94-5. [Settlement of litigation/Kingston Constructors] Ordinance authorizing settlement of litigation of Kingston Constructors against San Francisco by payment of \$12,500. (Superior Court No. 954-997) (City Attorney)

ACTION:

19. File 45-94-6. [Settlement of litigation/Mira Ingram] Ordinance authorizing settlement of litigation of Mira Ingram against San Francisco by payment of \$29,000. (Superior Court No. C93-2598) (City Attorney)

ACTION:

20. File 45-94-7. [Settlement of Litigation of Hong Fun Ma] Ordinance authorizing settlement of litigation of Hong Fun Ma against San Francisco by payment of \$62,500 and release of medical lien in the amount of \$10,927. (Superior Court No. 934-089) (City Attorney)

ACTION:

21. File 48-94-1. [Unlitigated Claim, De Ran Tan/Yu Yan Tan] Resolution approving the settlement of the unlitigated claim of De Ran Tan and Yu Yan Tan by payment of \$19,734. (City Attorney)

ACTION:

Government Efficiency and Labor Committee  
S.F. Board of Supervisors  
City Hall, Room 235  
San Francisco, CA 94102

IMPORTANT HEARING NOTICE!





## BOARD OF SUPERVISORS

BUDGET ANALYST

1390 MARKET STREET, SUITE 1025

SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

February 11, 1994

**TO:** Government Efficiency and Labor Committee**FROM:** Budget Analyst**SUBJECT:** February 15, 1994 Government Efficiency and Labor Committee Meeting

DOCUMENTS DEPT.

Item 1a - File 153-93-1.1

SEP 26 2000

**Department:** Department of Social Services (DSS)SAN FRANCISCO  
PUBLIC LIBRARY

**Item:** Resolution authorizing the Department of Social Services to accept and expend a continuation Federal Challenge Grant to provide child abuse and neglect prevention and intervention services in Federal fiscal years October 1, 1993, through September 30, 1995 (two years); granting the Department's request for a waiver of the City's indirect costs and authorizing the General Manager of the Department of Social Services to sign the application/assurance form.

**Grant Amount:** \$4,559.50**Grant Period:** October 1, 1993 through September 30, 1995

**Source of Funds:** Federal Challenge grant funds administered through the State Department of Social Services, Office of Child Abuse Prevention

**Project:** Child Abuse Prevention and Intervention Services

**Description:** The State Department of Social Services, Office of Child Abuse Prevention is authorized, pursuant to Welfare and Institutions Code Sections 18965 through 18968, to make Federal Challenge Grant funds available to counties in

providing child abuse and neglect prevention and intervention services. This would be the eighth year the DSS has received the proposed grant funds. The DSS reports that San Francisco was allocated \$896.83 in February of 1993, or \$3,662.67 less than the proposed grant of \$4,559.50

Although, indirect costs are permissible under this proposed grant, given the small size of the proposed grant, the DSS is requesting a waiver on the City's five percent indirect costs of \$227.98. The proposed grant funds would supplement an existing contract for services provided by the San Francisco Child Abuse Council, a nonprofit organization. The San Francisco Child Abuse Council would use the proposed grant funds to supplement funding for training sessions to professional groups, for radio public service announcements and for brochures.

**Budget:** All of the proposed grant funds would be used for contractual services.

**Required Match:** None.

**Indirect Costs:** The DSS is requesting that indirect costs be waived given the small amount of the proposed grant funds.

**Comments:** 1. Mr. Frederick Floyd of the Department of Social Services reports that this allocation of Federal grant funds through the State Department of Social Services is automatic, and thus no authorization to apply for is for these funds is needed.

2. The Disability Access Checklist is in the File.

3. The grant period is for October 1, 1993 through September 30, 1993. Therefore action by the Board of Supervisors requires ratification of an action previously taken.

**Recommendations:** 1. Amend the proposed resolution to provide for retroactive approval, in accordance with Comment No. 3.

2. Approve the proposed resolution, as amended.

Memo to Government Efficiency and Labor Committee  
February 15, 1994 Government Efficiency and Labor Committee Meeting

Item 1b - File 94-94-1

**Department:** Public Utilities Commission (PUC)  
Municipal Railway (Muni)

**Items:** Resolution authorizing the Public Utilities Commission to apply for, accept, and expend \$3,903,020 from FY 1994-95 State Transit Capital Improvement Funds, and an equal amount of local matching funds to provide financing for six Municipal Railway projects.

**Amount:** \$3,903,020

**Source of Funds:** State Transit Capital Improvement Funds

**Comment:** The Department requests that this item be continued to the next Government Efficiency and Labor Committee meeting, March 1, 1994.

**Recommendation:** Continue the proposed resolution to the March 1, 1994 Government Efficiency and Labor Committee meeting.



Memo to Government Efficiency and Labor Committee  
February 15, 1994 Government Efficiency and Labor Committee Meeting

Item 1c - File 147-94-1

**Department:** Public Library

**Item:** Resolution authorizing the City Librarian to apply retroactively for, accept and expend continuation grant funds in an amount not to exceed \$51,056 from California State Library Funds for tutor/student support and outreach services provided under Project Read, which includes indirect costs of 5 percent of the project budget exclusive of indirect costs.

**Grant Amount:** Not to exceed \$51,056

**Grant Period:** July 1, 1993 through June 30, 1994

**Source of Funds:** California Library Literacy Service Funds

**Project:** Project Read - Tutor/Student Outreach and Support Services

**Description:** The proposed grant funds would be used for tutor/student support services for Project Read. Project Read is the adult literacy program of the San Francisco Public Library. The Project Read program offers English-speaking adults, who lack basic reading and writing skills, free confidential tutoring by trained volunteers.

The tutor/student outreach and support services are provided under an on-going contract with the Friends of the San Francisco Library, a non-profit organization. The proposed grant funds, would be used primarily to increase the contract hours of the Support Services Coordinator, Outreach Coordinator and Administrative Assistant in order to enhance program services and to implement new projects. The new projects to be implemented would include (1) Small Group Tutoring, (2) Book Review Committee, (3) Learner Book of the Month Discussion Club, (4) Bus Posters, (5) Neighborhood Tutor Network Meetings, (5) Radio and Cable Television Advertisement and Grocery Bag Advertisement (for outreach purposes) and (6) Workplace Learner Outreach.

**Budget:** Contract Services

Personnel:

Support Services Coordinator	\$6,220
Outreach Coordinator	13,981
Administrative Assistant	14,320
Fringe Benefits	<u>3,479</u>
Subtotal	\$38,000

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Memo to Government Efficiency and Labor Committee  
February 15, 1994 Government Efficiency and Labor Committee Meeting

Operating Expenses:	
Materials and Supplies	<u>10,625</u>
Total Contract Services	<u>\$48,625</u>
<u>Indirect Costs</u>	<u>\$2,431</u>
Total Grant Budget	\$51,056*

\* The total project budget for Project Read for 1993-94 is \$281,140 or \$230,084 more than the \$51,056 proposed grant amount. The Public Library reports that the \$230,084 consists of Federal grant monies (\$89,702), State grant monies (\$12,300), private donations (\$35,000) and City in-kind contribution (\$93,082), which are included in the Public Library's 1993-94 budget.

**Required Match:** \$230,084 (included in the Public Library's 1993-94 budget)

**Indirect Costs:** \$2,431 ( 5 percent of the \$48,625 project budget)

**Comments:** 1. The Public Library advises that the application for the proposed grant funds has already been submitted. As such, the proposed legislation provides for ratification of action previously taken.

2. Attached is a grant summary, as prepared by the Public Library, for the proposed grant funds.

3. A Disability Access Checklist has been prepared by the Public Library and is on file with the Clerk of the Board's Office.

**Recommendation:** Approve the proposed resolution.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



File Number \_\_\_\_\_

GRANT APPLICATION INFORMATION FORM

To: The Board of Supervisors  
Attn: Clerk of the Board

The following describes the grant referred to in the accompanying resolution.

Department: San Francisco Public Library/Project Read

Contact person: Ana Linder Phone: 415/557-4388

Project title: Tutor/Student Outreach and Support Services Enhancemnt

Grant source: California Library Literacy Service Funds (CLSA)

Proposed (      New /   X   Continuation) Grant Project Summary:

The CLSA matching funds will be used for the enhancement of outreach and support services for Project Read students and tutors.

CONTRACT SERVICES

CLSA funds (\$38,000) will be used to increase the hours of the Volunteer Manager, Support Services Coordinator, Outreach Coordinator and Administrative Assistant to full-time equivalent. New projects will be implemented, including:

- Small Group Tutoring ► Book Review Committee (books for the library collection)
- Learner Book of the Month Discussion Club ► Bus Posters (learner outreach)
- Neighborhood Tutor Network Meetings ► Radio and Cable TV Advertisement (learner outreach) ► Grocery Bag Advertisement (learner outreach) ► Workplace Learner Outreach
- Learner Issue Rap Group

OTHER

The \$10,625 budget item will be spent on promotional materials for outreach efforts. Materials include:

- Bus posters ► Grocery Bags ► Mailings to adults receiving Public Assistance
- Banners ► Workplace Learner Recruitment Posters

Amount of grant funding applied for: \$51,056

Maximum funding amount available: N/A

Required matching funds: \$ 230,084

Number of positions created and funded: 0 (4 positions already established)

Amount to be spent on contractual services: \$48,503

Will contractual services be put out to bid? No

Since the inception of Project Read in 1983, the Friends of the San Francisco Public Library have been the sole contractor of all Project Read's Federal & State grants. The Friends of the Library, a non-profit organization, exists to provide support to the library. Project Read was started by the Friends of the Library. The staff is very knowledgeable of our program and services. They are the best suited organization for contractual services. In addition, they provide support services free of charge.

Term of grant: July 1, 1993 - June 30, 1994 ✓

Date Department was notified of available funds: December 1993

Application Due Date: November 1993

Grant funding Guidelines and Options (from RFP, grant announcement or appropriations legislation):

See attached

Department Head approval: \_\_\_\_\_

*Kenneth E. Dowlin*

Kenneth E. Dowlin  
City Librarian

Memo to Government Efficiency and Labor Committee  
February 15, 1994 Government Efficiency and Labor Committee Meeting

Item 1d - File 25-94-1

**Department:** Real Estate Department

**Item:** Resolution concurring with the Controller's Certification of Costs required by Charter Section 8.300-1 (Proposition J) that certain services can be practically performed by a private contractor for a lower cost than similar work performed by City and County employees.

**Services to be Performed:** Janitorial Services at 1660 Mission Street

**Description:** The Controller has determined that contracting for Janitorial Services for Fiscal Year 1994-1995 will result in estimated savings as follows:

	Lowest Salary Step	Highest Salary Step
<u>City Operated Service Costs</u>		
Personnel	\$141,459	\$171,217
Fringe Benefits	<u>37,066</u>	<u>41,714</u>
Total	\$178,525	\$212,931
<u>Contracted Service Cost</u>	<u>117,600</u>	<u>117,600</u>
<u>Estimated Savings</u>	\$60,925	\$95,331

**Comments:** 1. The proposed resolution states that it would be less costly for the Real Estate Department to contract out for janitorial services, rather than using City employees, from April 1, 1993 to June 30, 1994 and for FY 1994-95. The savings listed above in the Controller's analysis, represent the savings that will result by contracting out janitorial services during FY 1994-95. However, the Controller's Office advises that since it is less expensive to contract out for janitorial services in FY 1994-95, it would be similarly less expensive to contract out these services for the remaining three months of FY 1993-94.

2. The City acquired 1660 Mission Street in March of 1993, in order to relocate the Department of City Planning and the Bureau of Building Inspection (Department of Public Works (DPW)) from 450 McAllister Street, which will be demolished to make room for a new courthouse. Thus, no prior janitorial services have been provided for the City at 1660 Mission Street.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

3. According to Mr. Charles Camilleri of the DPW, there are two 2708 Custodians from the Bureau of Building Repair, DPW, who are currently providing janitorial services at 450 McAllister Street. As a result of the demolition of 450 McAllister Street and the proposed contracting out of janitorial services at 1660 Mission Street, two 2708 Custodians will be laid off effective as of April 1, 1994. Mr. Camilleri advises that because there are currently no vacancies in the 2708 Custodian classification, the two 2708 Custodians with the least seniority will be laid off.

4. The contracted service cost for the purpose of this analysis is based on an hourly rate of \$14.13 to provide 8,320 hours of janitorial services annually, based on a quote from a contractor with other janitorial contracts with the City.

5. The Controller's supplemental questionnaire with the Department's responses, is attached.

6. According to Mr. Ken Chopping of the Real Estate Department, pending approval of the proposed resolution, the Real Estate Department plans to issue an Invitation for Bids for these janitorial services at 1660 Mission Street in early March, 1994.

**Recommendation:** Approval of the proposed resolution is a policy matter for the Board of Supervisors.

900-2: Charter 8,300-1 (Proposition J) QuestionnaireCharter 8,300-1 (Proposition J) QuestionnaireDepartment REAL ESTATEFor time Period April 1 to June 30, 1994  
and FY 1994-95Contract Services Janitorial

- 1) Who performed services prior to contracting out?

City acquired 1660 Mission St. on 3/17/93. Building is being completed and has never had any prior services. BBI and DCP will relocate from 450 McAllister. City BBR presently provides services at 450 McAllister.

- 2) Number of City employees laid off as a result of contracting out?

None at 1660 Mission St. 2 full time janitors at 450 McAllister will be affected.

- 3) If the employees were not laid off as a result of contracting out, what happened to them?

It is unknown at this time whether they can be reassigned to another City facility.

- 4) What percent of a City employee's time is spent on services to be contracted out?

N.A.

- 5) How long have the services been contracted out?

N.A.

- 6) Will contract services meet goals of MBE/WBE Ordinance?

Purchasing will bid with H.R.C. approval.

\_\_\_\_\_  
Department Representative  
Ken Chopping  
Real Property Officer

Telephone: 554-9862





Memo to Government Efficiency and Labor Committee  
February 15, 1994 Government Efficiency and Labor Committee Meeting

Item 1e - File 25-94-2

**Department:** Real Estate Department

**Item:** Resolution concurring with the Controller's Certification of Costs required by Charter Section 8.300-1 (Proposition J) that certain services can be practically performed by a private contractor for a lower cost than similar work performed by City and County employees.

**Services to be Performed:** Security Services at 1660 Mission Street

**Description:** The Controller has determined that contracting for Security Services in FY 1994-95 will result in estimated savings as follows:

	Lowest Salary <u>Step</u>	Highest Salary <u>Step</u>
<u>City Operated Service Costs</u>		
Personnel	\$129,344	\$159,476
Fringe Benefits	<u>35,714</u>	<u>39,881</u>
Total	\$165,058	\$199,357
 <u>Contracted Service Cost</u>	 <u>131,560</u>	 <u>131,560</u>
 <u>Estimated Savings</u>	 \$33,498	 \$67,797

**Comments:** 1. The proposed resolution states that it would be less costly for the Real Estate Department to contract out for security services, rather than using City employees, from April 1, 1993 to June 30, 1994 and for FY 1994-95. The savings listed above in the Controller's analysis, represent the savings that will result by contracting out security services during FY 1994-95. However, the Controller's Office advises that since it is less expensive to contract out for security services in FY 1994-95, it would be similarly less expensive to contract out these services for the remaining three months of FY 1993-94.

2. The City acquired 1660 Mission Street in March of 1993, in order to relocate the Department of City Planning and the Bureau of Building Inspection (Department of Public Works (DPW)) from 450 McAllister Street, which will be demolished to make room for a new courthouse. Thus, no prior security services have been provided for the City at 1660 Mission Street. Security guard services are currently provided at 450 McAllister Street by a contractor, McCoy's Patrol Service.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

3. The contracted service cost for the purpose of this analysis is based on an hourly rate of \$12.65, to provide continuous security coverage, 24 hours a day, seven days a week, or approximately 10,400 direct labor hours annually. This cost estimate is from a quote provided by a contractor with other security contracts with the City.
4. The Controller's supplemental questionnaire with the Department's responses, is attached.
5. According to Mr. Ken Chopping of the Real Estate Department, pending approval of the proposed resolution, the Real Estate Department plans to put security services for 1660 Mission Street out to bid in early March, 1994.

**Recommendation:** Approve the proposed resolution.

900-2: Charter 8.300-1 (Proposition 1) QuestionnaireCharter 8.300-1 (Proposition 1) QuestionnaireDepartment REAL ESTATEFor time Period April 1 to June 30, 1994  
and FY 1994-95Contract Services Security

- 1) Who performed services prior to contracting out?

City acquired 1660 Mission St. 3/17/93 as unfinished building. No prior services at that building. DPM presently employs private contractor for its present building at 450 McAllister.

- 2) Number of City employees laid off as a result of contracting out?

0

- 3) If the employees were not laid off as a result of contracting out, what happened to them?

N A

- 4) What percent of a City employee's time is spent on services to be contracted out?

0

- 5) How long have the services been contracted out?

N A

- 6) Will contract services meet goals of MBE/WBE Ordinance?

Purchasing will bid with H.R.C. approval.

\_\_\_\_\_  
Department Representative  
Ken Chopping  
Real Property Officer

Telephone: 554-9862



Item 1f File 82-94-1

- Department** Public Utilities Commission (PUC),  
Real Estate Department
- Item:** Resolution authorizing the acceptance of an easement for Bay Division Pipeline Nos. 3 and 4 across the Guadalupe River from the Santa Clara Valley Water District.
- Description:** The Real Estate Department reports that the Santa Clara Valley Water District intends to modify the channel of the Guadalupe River in San Jose in order to accommodate their planned flood control work. According to the Real Estate Department, San Francisco's Bay Division Pipeline Nos. 3 and 4 are presently supported on piers elevated over the channel in question. The Real Estate Department advises that in order for the Santa Clara Valley Water District to proceed with the necessary flood control work, the San Francisco Bay Division Pipeline Nos. 3 and 4 must be relocated underground. As such, the Santa Clara Valley Water District is proposing to relocate the pipelines underground and grant the City a 15-foot easement containing approximately 0.088 acres of land adjacent to the southeasterly boundary of the City's right-of-way to accommodate future maintenance of the pipelines, at no cost to the City.
- Comment:** As noted above, the Santa Clara Valley Water District will (1) relocate the City's pipelines underground and (2) grant the City an easement to accommodate the future maintenance of these pipelines, at no cost to the City. Mr. Jonathan Chow of the Water Department reports that the Department does not anticipate any significant change in the on-going maintenance cost for the pipelines once they are undergrounded.
- Recommendation:** Approve the proposed resolution.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**





Items 1g, 1h, 1i and 1j - Files 89-94-4, 89-94-5, 89-94-6 and 89-94-7

1. The proposed resolutions would authorize enrollment of classifications 1373 Special Assistant XIV (File 89-94-4), 1120 Director, Department of Animal Care and Control (File 89-94-5), 1367 Special Assistant VIII (File 89-94-6) and 9775 Senior Community Development Specialist II (File 84-94-7), in the State Disability Insurance (SDI) Program. The cost of SDI coverage would be paid by the employee through normal payroll deductions. The proposed legislation would not involve significant cost to the City as the Controller's payroll/personnel system is programmed to include this deduction.

2. SDI pays disability benefits to employees who suffer a non-industrial injury or illness. SDI-eligible employees have been paying into the SDI system since July 1, 1981. Currently, the payroll deduction is 1.3 percent of the first \$31,767 of gross salary for each employee (maximum of \$412.97 annually). While SDI coverage is mandatory for all employees within bargaining units enrolled in the SDI program, it is not mandatory that employee classifications which are not represented by a bargaining unit be included in the SDI program unless a majority of employees within the classification request coverage.

3. The following classifications, which are not represented by a bargaining unit, would be authorized to enroll in the State Disability Program under the proposed resolutions:

<u>Position</u>	<u>Classification</u>	<u>Number of Employees</u>	<u>Number of Employees Requesting Coverage</u>
Special Assistant XIV	1373	7	5
Director, Department of Animal Care and Control	1120	1	1
Special Assistant VIII	1367	2	2
Senior Community Development Specialist II	9775	7	7

4. As shown in the above table, the Employee Relations Division (ERD) reports that it has received petitions requesting coverage signed by the majority of employees in each of the above-mentioned classifications.

5. The seven employees in the 1373 Special Assistant XIV classification are in the Department of Public Health, the Chief Administrative Officer's Office (CAO) and the Department of Electricity. The two employees in the 1367 Special Assistant VIII classification are in the Mayor's Office and the CAO's Office. The seven employees in the 9775 Senior Community Development Specialist II classification are all in the Mayor's Office.

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**Recommendation**

Approve the proposed resolutions.

Item 1k File 172-93-35

**Note:** This item was continued from the Government Efficiency and Labor Committee Meeting on February 1, 1994.

1. The proposed resolution would approve a new freeway agreement between the City and County of San Francisco and the State Department of Transportation (Caltrans) in accordance with the revised State plan for State Highway Route 280, and approve certain actions in connection therewith.

2. The proposed new freeway agreement would update and supersede several existing 1962 agreements between the State of California and the City concerning reconstruction of State Highway Route 280 (I-280). The proposed agreement provides the following:

- a) The City agrees to State improvements to I-280 that will impact local, City streets.
- b) The State will reroute City streets as required during construction at the State's expense.
- c) The State holds the City harmless against all claims, liabilities, damages or losses arising out of any injury to or death of any person or any damage or destruction of property which may result from the construction of the proposed improvements.
- d) The City will accept control and maintenance over each of the relocated or reconstructed City streets, frontage roads and other State constructed local roads, if any, upon written certification from the State that the work has been designed and constructed in accordance with City standards. The exception to this provision would be any portion of street or roadway which is adopted by the State as a part of the freeway proper.

3. Mr. Nelson Wong, DPW Bureau of Engineering, reports that the proposed agreement covers new State plans for improvements to the Northern terminus of I-280 including the following:

- a) The I-280 freeway stub between Third and Sixth Streets will be removed.
- b) The Fourth Street off-ramp will be removed.
- c) New on- and off-ramps will be constructed at Fifth and King Streets.

**Comment**

According to Mr. Wong, the City will incur no additional expense as a result of the proposed agreement because the City's projects related to I-280 are already budgeted and in progress. The proposed agreement is technical in nature for purposes of updating and superseding the existing agreement.

**Recommendation**

Approve the proposed resolution.



Item 11 File 172-94-5

**Department:** Department of Social Services (DSS)

**Item:** Resolution authorizing the execution of a continuation agreement between the City and County of San Francisco and the State of California Department of Education in the amount of \$124,761 for participation by the City in the State's Childcare and Development Program for fiscal year 1993-94.

**Amount:** Maximum of \$124,761

**Source of Funds:** State Department of Education

**Agreement Period:** July 1, 1993 through June 30, 1994

**Description:** The proposed resolution would authorize the continuation of an existing agreement with the State Department of Education that reimburses the DSS for paying providers of community-based childcare services, including homemaker services and respite services. The DSS is currently contracting with a total of 24 childcare providers City-wide for the provision of these services. The State's Childcare and Development Program provides community-based childcare services to low-income families at risk to enable parents to continue their employment or to continue their education.

**Comments:** 1. The DSS reports that the State reimburses the City for childcare provider services only. The City's costs to administer the State's Childcare and Development Program, which is approximately \$40,000 annually and is paid for by General Fund monies, are absorbed by DSS.

2. The DSS has requested that this item be continued to the Government Efficiency and Labor Committee Meeting on March 1, 1994 in order to allow the Department additional time to get clarification from the State regarding the allowable reimbursement rate per child per hour for the various community-based childcare providers.

**Recommendation:** Continue this item to the Government Efficiency and Labor Committee Meeting on March 1, 1994, as requested by the DSS.

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Items 1m and 1n - Files 94-91-8.6 and 94-92-7.2

**Department:** Public Utilities Commission (PUC)  
Municipal Railway (Muni)

**Items:** Request for release of reserved funds, Public Utilities Commission, Federal Section 9 Funds, in the amount of \$1,839,004, for Trolley Bus Fleet project implementation activities (File 94-91-8.6).

Request for release of reserved funds, Public Utilities Commission, Federal Section 9 Funds, in the amount of \$937,721, to purchase spare parts for the Trolley Bus Fleet (File 94-92-7.2).

<b>Amount:</b>	File 94-91-8.6	\$1,839,004
	File 94-92-7.2	<u>937,721</u>
	TOTAL	\$2,776,725

**Source of Funds:** Section 9 Federal Transit Administration Funds

**Description:** The PUC has purchased 60 new electric trolley coaches using a variety of grant funds. These 60 trolley coaches were purchased from New Flyer, a Canadian company, at a total cost of approximately \$43 million. New Flyer was selected based on a competitive bid (see Comment 2). At the time the PUC entered into the contract with New Flyer, funds were unavailable to support the purchase of spare parts for the 60 new trolley coaches. Such funds subsequently became available through Federal Section 9 Operating Assistance.

The Board of Supervisors previously authorized the PUC to apply for, accept, and expend \$7,574,454 in Federal Section 9 Operating Assistance, \$25,000,000 of Federal Section 3 Fixed Guideway Capital Assistance, \$4,974,542 of Federal Section 9 Capital Assistance, \$12,400,000 of Federal Surface Transportation Program/Congestion Air Quality Capital Assistance, and \$10,530,276 from various local match sources. Of the total \$60,479,272, \$38,111,645 was placed on reserve, including \$861,690 for equipment purchase, pending identification of the contractors and the determination of their MBE/WBE/LBE status, and finalization of contract cost details. (Spare parts are considered equipment, because such parts cost over \$1,000.) The PUC is now requesting that \$937,721 be released from the reserved funds to purchase spare parts (File 94-92-7.2).

The Board of Supervisors previously authorized the Public Utilities Commission to apply for, accept, and expend Federal

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Section 9 Operating Assistance funds in the amount of \$7,532,454, Federal Section 9 Capital Assistance funds in the amount of \$26,819,276, plus \$6,704,819 in required State and/or local match funds, for a total of \$41,056,549 for four Municipal Railway Projects. Of the \$41,056,549, a total of \$33,524,095 was placed on reserve for outside contracts, pending a detailed project budget and contract details. The PUC is now requesting that \$1,839,004 be released to support further project implementation activities. According to the PUC, these further project implementation activities consist of the purchase of spare parts, Muni indirect costs, and a portion of the total \$43 million Trolley Coach Purchase Project's five percent contingency funds (File 94-91-8.6).

**Budget:** The following budget represents the combined costs for the two proposed releases of reserve, totalling \$2,776,725.

Equipment (Contractual Services)

Spare Parts (see Comment 1)	\$1,658,944	
Sales Tax at 8.5 percent	<u>141,010</u>	
Total Equipment		\$1,799,954

<u>Muni Indirect Costs</u>	529,435
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<u>Contingency</u> (see Comment 3)	<u>447,336</u>
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TOTAL AMOUNT TO BE RELEASED	\$2,776,725
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- Comments:**
1. The PUC has provided the Budget Analyst with a detailed, 20-page list of spare parts and their costs for both requested releases of reserve. The Budget Analyst has reviewed this list and has determined that these expenditures are reasonable. The spare parts contained on this list include such items as heaters, brakes, windshields, lamps, and bumpers.
  2. The contractor who will provide the spare parts is New Flyer, a Canadian company. These purchases represent an expansion of an existing contract with New Flyer that was approved by the Board of Supervisors in 1990, according to the PUC. New Flyer has been under contract for the 60 trolley coaches to the City over the course of the past four years, since the contract was approved. New Flyer was originally selected based on a competitive bid. The PUC received three bids for the trolley coach purchase, including Breda, an Italian Company, and Matsui, a Japanese company.
  3. The Trolley Coach Project has a total budget of \$43 million, funded from a variety of sources. The contingency cost included

in the total \$43 million project is approximately \$2,150,000, or five percent of the total project budget. The reserved Federal Section 9 funds, currently requested to be released, include \$447,336, or approximately 21 percent, of the total \$2,150,000 contingency on the entire project.

The PUC has not allocated the various costs of the entire \$43 million project budget equally among all the funding sources. Instead, some funding sources support more or less of the various line items in the total project budget. The contingency cost of \$447,336 included in this proposed release of reserve relates to the entire project budget of \$43 million, and not just the purchase of spare parts or Muni indirect costs included in the above budget.

**Recommendation:** Release the \$2,776,725 in Federal Section 9 Funds, as requested.



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Item 10 - File 148-92-4.4

**Department:** Department of Public Works (DPW)

**Item:** Request to release reserved funds for pavement renovation (Webster and Clarendon Avenues Pavement Renovation Project).

**Amount:** \$721,500

**Source of Funds:** Federal Surface Transportation Program

**Description:** In July of 1992, the Board of Supervisors approved Resolution No. 615-92 authorizing the Director of Public Works to accept and expend Federal funds in the amount of \$7,257,000, to be used as partial funding of a total amount \$10,096,000 designated for nine pavement renovation projects of various City streets. The Board of Supervisors reserved the \$7,257,000 pending the determination of finalized cost details, selection of the contractors, and determination of the contractors' MBE/WBE status.

The previously approved sources of the \$10,096,000 total amount for the pavement renovation projects are as follows:

	<u>Design</u>	<u>Construction</u>	<u>Total</u>
1987 Street Improvement			
Bond Fund Interest	\$376,000	\$602,000	\$978,000
Federal Surface Trans. Funds			
(This Grant Request)	—	7,257,000	7,257,000
Gas Tax Funds	453,000	—	453,000
Half-Cent Sales Tax	<u>182,000</u>	<u>1,226,000</u>	<u>1,408,000</u>
Total	\$1,011,000	\$9,085,000	\$10,096,000

DPW is now requesting release of \$784,236, which includes the subject \$721,500 plus \$62,736 of the \$602,000 in Bond Fund Interest designated for construction, as shown above (see Item 18, File 101-91-63.4 in the 2/16/94 report to the Budget Committee). The funds would be used to renovate the pavement on Webster Street, between Duboce Avenue and McAllister Street, and on Clarendon Avenue, between Laguna Honda and Twin Peaks Boulevard.

Mr. Joe Ovadia of DPW reports that the firm of Ghilotti Brothers Construction, Inc., has been selected to perform the work based on its low bid of \$683,546. The City's engineering estimate for the work was \$733,746. The result of the bidding process was as follows:

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<u>Bidder</u>	<u>MBE/WBE Status</u>	<u>Amount Bid</u>
Ghilotti Brothers Construction, Inc.	None	\$683,546
Inter-Coastal, a Joint Venture	MBE/LBE	697,804
G. Bortolloto & Co.	None	755,084
A. Ruiz Construction Co.		
& Assoc., Inc.	MBE/LBE	760,396
Ghilotti Construction Co.	None	761,431
Pavex Construction	None	793,811

**Comments:**

1. Mr. Ovadia reports that Federal construction policy prohibits preferences in contracting. However, according to Mr. Ovadia, the subcontracting goal of 30 percent to MBE/WBE firms was achieved.

2. DPW's estimated budget for the total project, including the requested subject release of \$721,500 in Federal funds, is as follows:

Construction Contract	\$683,546
Contingencies (10% of Contract)	68,355
Construction Mgt. Services	95,000
Work Order-Dept. of Parking & Traffic	<u>34,000</u>
Total	\$880,901

**Recommendation:** Approve the release of reserved funding in the amount of \$721,500 as requested by the Department.



Item 1p File 133-93-2.1

**Department:** Chief Administrative Officer (CAO),  
Solid Waste Management Program

**Item:** Release of reserved funds for the Solid Waste Management Program in the amount of \$25,866 for graphic design services.

**Amount:** \$25,866

**Source of Funds:** Sanitary Fill Company

**Description:** The Board of Supervisors previously authorized the CAO to accept and expend \$2,847,921 in funds from the Sanitary Fill Company to be used for the Solid Waste Management Program (File 133-93-2). At the same time, the Board of Supervisors placed \$195,000 on reserve pending the CAO's selection of consultants and submission of the MBE/WBE status of consultants and contract budget details. The CAO is now requesting that \$25,866 of the \$195,000 placed on reserve be released to pay for graphic design services and a data list of San Francisco businesses. The data list would be used by the CAO, Solid Waste Management Program to identify and categorize local businesses by Standard Industrial Classification (SIC) code and employee size in order to verify and target certain businesses and business sectors for outreach programs.

The CAO advises that, it has selected three firms, Maria Wang Design Studio, Katherine Loh Graphic Design and Vinh Chung Graphic Design, to provide graphic design services for the development of promotional materials such as posters, signs, flyers, brochures, and booklets. The CAO advises that these three firms were selected from a pool of 20 firms, on the basis of interviews and extensive evaluation of work samples. According to the CAO, the 20 firms were solicited from a Human Rights Commission (HRC) list. Vinh Chung Graphic Design is an MBE firm. Maria Wang Design Studio and Katherine Loh Graphic Design are MBE/WBE firms. The CAO also reports that it has selected American Business Information, Inc., to provide the necessary data list of San Francisco businesses. According to the CAO, American Business Information, Inc. was one of two companies, the second one being Dun and Bradstreet Information Services, which the CAO identified as being able to provide such a data list. The CAO states that both companies generally offer the same type of data (i.e., name, address, SIC code, telephone, contact name, employee size). However, according to the

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CAO, American Business Information, Inc. was selected because its data list is larger than Dun and Bradstreet Information Services data list by over 4,000 listings.

The requested release of reserve funds in the amount of \$25,866 would be expended as follows:

Graphic Design Services

Maria Wang Design Studio:

222 hours for the design of direct mail pieces  
and brochures  
( fees range from \$40 per/ hour for a Production  
Artist to \$50 per/hour for a Principal/Designer) \$10,000

Katherine Loh Graphic Design:

120 hours for the multi-lingual design of  
flyers and other collateral material  
(fees range from \$15 per/hour for Production  
Services to \$50 per/hour for Graphic Design  
Services) 3,000

Vinh Chung Graphic Design:

160 hours for the design of curbside recycling  
information pieces  
(fees range from \$25 per/hour for Translation  
Services to \$55 per/hour for Illustration Services) 7,000

Data List

American Business Information, Inc. 5,866

Total \$25,866

**Comment:** The graphic design services to be provided by the above noted firms, are described in detail in the Attachment.

**Recommendation:** Approve the proposed release of reserved funds in the amount of \$25,866.

Examples of graphic design items:

Designing, translating and producing 9" X 12" Bilingual Direct Mail Piece (printed both sides) to promote curbside collection in Chinatown.

Designing, translating and producing 2" X 10" Bilingual Door Hanger (printed both sides) to promote curbside collection in Chinatown.

Designing 6" X 6" newspaper ad to promote source reduction for neighborhood newspapers.

Designing 11" X 14" flyer to promote waste reduction and recycling for distribution at Earth Day events.

Designing 8 1/2" and 11" flyer insert to promote phone book recycling.

Designing, translating and producing 11" X 14" flyer for distribution in targeted neighborhoods to increase participation in curbside and apartment recycling.

Designing 11" X 28" bus cards to promote composting in the city.



Item 1q - File 140-93-3.1

**Department:** Fire Department

**Item:** Request to release reserved funds to develop computer software for the Arson Early Warning System (AEWS).

**Amount:** \$7,600

**Source of Funds:** United States Fire Administration

**Description:** In November of 1993, the Board of Supervisors adopted Resolution No. 971-93 (File 140-93-3) authorizing the Fire Department to apply for, accept, and expend \$8,000 in funding, including \$400 for indirect costs, from the United States Fire Administration. The funds were to be used to develop computer software to automate the Arson Early Warning System. \$7,600 of the \$8,000 authority to expend funds was placed on reserve pending submission of contract cost details, the selection of the contractor, and the MBE/WBE status of the contractor.

The Arson Early Warning System would be an information system designed to profile properties that appear susceptible to an arson fire (high vacancy rates, state of disrepair). Once identified, various public records concerning the properties, such as liens, code violations, tax delinquency information, and alteration permits would be accessed for the purpose of determining the status of the building with respect to bringing the building into compliance with the Fire Code and other applicable City codes.

The \$7,600 grant is to fund the development of a computer program to automate the retrieval of this information and to perform various analyses. According to Battalion Chief Richard Bracco of the Fire Department, the existing manual information retrieval system is labor intensive and inefficient. Deputy Chief Bracco reports that an automated system would be much more efficient and would enhance the Fire Department's ability to track properties that appear susceptible to an arson fire.

The Fire Department has selected the Information Services Division (ISD) of the Controller's Office to develop the automated system. ISD has developed a plan to use database management software for a custom developed system. The plan has been divided into two phases, with estimated costs and task durations, in days, as follows:

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	<u>Task</u>	Low Estimate <u>in Days</u>	High Estimate <u>in Days</u>
Phase I			
	Complete system design	4	6
	Design and construct form	5	8
	Review and gain acceptance	<u>2</u>	<u>2</u>
	Sub-total, days	11	16
	Sub-total, costs	\$4,488	\$6,528
Phase II			
	Query - Paradox (database) generic	4	6
	Query - Customized	5	8
	Reports	6	10
	Documentation	5	8
	Implementaton	<u>4</u>	<u>5</u>
	Sub-total, days	24	37
	Sub-total, costs	\$9,792	\$15,096
	Total, days	35	53
	Total, costs	\$14,280 *	\$21,624 *
	Amount of This Request	<u>7,600</u>	<u>7,600</u>
	Additional Funds Needed	\$6,680	\$14,024

\*Cost per day of \$408.

**Comments:**

1. As shown above, in addition to the requested release of the subject grant funds on reserve, this project would require additional funds of approximately \$6,680 (low estimate) to \$14,024 (high estimate) in order to complete the system development work. Battalion Chief Bracco states that additional funding to complete the automation of the AEWS is expected from one of the following sources: 1) additional grant funds from the U.S. Fire Administration; 2) grant funds from other sources, such as from insurance companies; or 3) Departmental funds that are dedicated for computer programming.

2. Battalion Chief Bracco reports that the Fire Department desires to achieve the operational capabilities that the AEWS would provide as soon as possible. He reports further that the Department must initiate the AEWS project prior to the end of February, 1994 or forfeit the subject Federal grant funding.

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**Recommendation:** Release reserved funds in the amount of \$7,600, as requested by the Department.

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Item 2 - File 97-93-66

**Note:** This item was continued at the January 19, 1994 Government Efficiency and Labor Committee meeting.

1. This item is an ordinance to amend the City's Administrative Code by adding Chapter 22C to create a Communications Regulatory Commission and repealing Sections 11.40, 11.41, 11.42, 11.43, and 11.44 concerning the Telecommunications Policy Committee.

2. In the Fall of 1992, to foster competition in the cable television industry and to ensure that cable rates are reasonable, Congress passed the Cable Television Consumer Protection and Competition Act of 1992 (Cable Act). The purpose of the Cable Act is to authorize the Federal Communications Commission (FCC) and local authorities to regulate basic cable television services, thereby establishing appropriate price benchmarks and reducing entry barriers for new cable television companies. In the Spring of 1993, the FCC released regulations detailing the implementation of the Cable Act with regard to rates and related regulatory issues. The FCC has followed these regulations with several revisions and clarifications and has stated that there will be continuing proceedings on this subject.

3. In accordance with requirements of the Cable Act, in July of 1993, the City and County of San Francisco, submitted a certification application to the FCC, and is now eligible to regulate the lowest level of cable television service, basic cable. Higher levels will be regulated by the FCC. In San Francisco, cable television services are provided by Viacom Cablevision, Inc. (Viacom). Viacom calls its basic cable television services Limited Cable, which includes commercial network broadcasters, access channels, C-SPAN, and other channels. Viacom currently charges \$13.28 per month for Limited Cable services. The City must regulate Viacom Cable in accordance with certain complex pre-set formulas determined by the FCC, which has established these formulas based on the operating cost per channel. Installation rates, equipment charges, and additional outlet fees may also be regulated by the City according to preset formulas based on Viacom's costs for providing these services.

4. In accordance with the Cable Act, the proposed ordinance would establish a local Communications Regulatory Commission (the Commission) to regulate cable television basic service rates, equipment and customer services. As previously stated, the FCC is responsible for regulating all other, higher level rates for cable television service. The proposed Commission would consist of nine members, one member would be appointed by the Mayor and eight members would be appointed by the Board of Supervisors. Eight members of the proposed Commission would consist of: one licensed broadcast engineer with expertise in telecommunication; one Certified Public Accountant; one attorney; one consumer representative; one educator; one labor representative; and two members representing the public interest. The proposed ordinance does not include any requirement for specific qualifications of the ninth Commission member. Organizationally, the Commission would be under the Board of Supervisors.

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5. Members of the proposed Commission would not be compensated nor would they receive reimbursement for expenses.

6. The proposed ordinance would repeal Sections 11.40 through 11.44 of the City's Administrative Code that established the Citizen's Telecommunications Policy Committee (CTPC). The CTPC was established in 1980 to consider cable television issues, to review the cable services provided by the cable television franchisee and to recommend changes in the franchise agreement. Organizationally, the CTPC is under the Board of Supervisors. The proposed Communications Regulatory Commission would effectively replace the CTPC.

7. The proposed ordinance would also establish a special fund entitled the Communications Regulatory Commission Fund which would be a depository for Purveyor Fees, or a portion of the City's Franchise Fees. In addition to establishing a special fund, the proposed ordinance would appropriate \$200,000 annually from the Franchise Fee revenues to this special fund for the purposes of paying staff and other expenses incurred by the proposed Commission. According to the proposed ordinance, the Board of Supervisors would appropriate a minimum of \$200,000 each year to the Communications Regulatory Commission Fund.

8. The proposed ordinance designates an Executive Director as a paid staff person to the Communications Regulatory Commission to serve as the liaison between the cable television operators (Viacom and any other franchisees that the City may authorize) and the various City departments, to supervise other paid staff to the Commission and to assist the proposed Commission in the performance of its duties. The proposed ordinance does not specify the number or duties of other paid staff (other than the Executive Director) to the Commission.

### Comments

1. In compliance with Viacom's franchise agreement with the City, Viacom pays a franchise fee of five percent of its gross receipts to the City, amounting to approximately \$3.2 million annually. 96 percent of the Franchise Fee revenue is deposited into the City's General Fund and the remaining four percent is deposited into the City's Cable Television Access and Development Fund for public, educational and municipal access activities. According to Mr. John Madden of the Controller's Office, because 96 percent of the Franchise Fee revenue is deposited into the General Fund, appropriations of Franchise Fee revenues to the proposed Communications Regulatory Commission Fund would reduce the General Fund by a commensurate amount.

2. As previously stated, the proposed ordinance would appropriate \$200,000 from the Franchise Fee revenues to the proposed Communication Regulatory Commission Fund. According to Mr. Madden, the appropriation of \$200,000 to the proposed Communication Regulatory Commission Fund would require a separate supplemental appropriation ordinance. Such an appropriation ordinance should be drafted by the Clerk of the Board of Supervisors and submitted to the Mayor's Office for approval and to the Controller's Office for certification of the availability of funds. Thus, the proposed ordinance should be amended to delete lines 22 through

24, in Section 22c.4, subsection (b), "The Board of Supervisors hereby appropriates \$200,000 to the Communications Regulatory Commission Fund." The title of subsection (b) should also be amended to read "Sources and Uses of Monies", instead of "Source and Appropriation of Monies."

3. In addition, the Civil Service Commission should be requested to establish an Executive Director position for the proposed Commission before the Board of Supervisors appropriates monies to fund this position. A separate ordinance to amend the Annual Salary Ordinance would be necessary to create the new Executive Director position.

4. As of the writing of this report, a budget for expenditure of the \$200,000 for operating costs of the proposed Communications Regulatory Commission has not been finalized.

5. The February 15, 1994 Government Efficiency and Labor Committee calendar indicates that the Chair may entertain a motion to continue this ordinance.

### **Recommendations**

Approval of the proposed ordinance is a policy matter for the Board of Supervisors. If the Board of Supervisors approves the proposed ordinance, amend the proposed ordinance as detailed in Comment 2, above, to delete lines 22 through 24, in Section 22c.4, subsection (b), "The Board of Supervisors hereby appropriates \$200,000 to the Communications Regulatory Commission Fund." The title of subsection (b) should also be amended to read "Sources and Uses of Monies", instead of "Source and Appropriation of Monies."





Item 3 - File 97-93-37

**Department:** San Francisco Redevelopment Agency (SFRA)

**Item:** Ordinance amending Chapter 24 of the San Francisco Administrative Code by repealing current Sections 24.1, 24.1-1 and 24.4, which established a Redevelopment Agency, the number of its members, and their compensation; adding a new Section 24.1, declaring the Board of Supervisors to be the Redevelopment Agency for the City and County of San Francisco; adopting findings; and setting an effective date of July 1, 1994.

**Description:** The proposed ordinance would add a new Section 24.1 to the City's Administrative Code which would state that pursuant to Section 33200 of the California Health and Safety Code, the Board of Supervisors declares itself to be the Redevelopment Agency for the City and County of San Francisco. All rights, powers, duties, privileges and immunities provided under the Community Redevelopment Law of 1964, as amended, shall be vested in the Board of Supervisors. The proposed ordinance would become effective as of July 1, 1994.

The proposed ordinance would also repeal Sections 24.1, 24.1-1 and 24.4 of the City's Administrative Code. Section 24.1 creates the existing Redevelopment Agency under State Law provisions. Section 24.1-1 increases the number of Redevelopment Agency members to seven, and requires that at least one member be a woman. Section 24.4 states that subject to the budget and fiscal provisions of the City's Charter, the Redevelopment Agency members will be compensated \$25 per meeting attended, exclusive of actual and necessary expenses, including travel expenses, provided that the total amount paid to any one member does not exceed \$1,250 per year and that the total amount paid to all members does not exceed \$6,250 per year.

The proposed ordinance also references a management audit report on the Redevelopment Agency that was prepared by the Budget Analyst's Office in January, 1992 to substantiate the finding that establishing the Board of Supervisors as the Redevelopment Agency will serve the public interest and promote the public safety and welfare in a more effective manner than the current organization. A copy of this report is in the file.

**Comments:**

1. Although the Budget Analyst made no recommendations with respect to the Board of Supervisors becoming the Redevelopment Agency, as that is a policy decision for the Board of Supervisors to make, in his January, 1992 management audit report on the SFRA, the Budget Analyst included a survey of Redevelopment Agencies operating in California. The Budget Analyst found that over 96 percent of the approximately 350 redevelopment agencies in the State have the city council serving as the redevelopment agency without the establishment of a separate agency commission.
2. Among the ten largest cities in California, the city council serves as the redevelopment agency in eight cities and only in Los Angeles and Long Beach (in addition to San Francisco) have independent agency commissions been established. The majority of the largest cities also have the agency operating as a city department.
3. In addition, this management audit included numerous recommendations to strengthen the overall efficiency and effectiveness of the SFRA's management and operations, including specific recommendations which could result in net estimated reduced expenditures of \$350,000 annually. Estimated one-time costs were projected to be no more than \$155,000.
4. The February 15, 1994 Government Efficiency and Labor Committee calendar indicates that the Chair may entertain a motion to continue this item.

**Recommendation:**

Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Item 4 - File 221-94-1

**Item:** Ordinance implementing Charter Section 3.661, 3.662 and 3.663 by providing for transfer of all programs, staff and authority relating to the management and administration of health services of City employees and the transfer of all programs and staff relating to the policy, management, and administration of the workers compensation system to the Department of Human Resources.

**Description:** In November, 1993, San Francisco voters approved Proposition L, a Charter Amendment which created the Department of Human Resources. Under the Charter Amendment (Charter Section 3.662) the Human Resources Department shall be the personnel department for the City and County of San Francisco. Pursuant to the rules, policies, and procedures of the Civil Service Commission governing the merit system, the Human Resources Department will perform all duties and functions previously performed by the Civil Service Commission.

The Charter Amendment adds or amends several Charter Sections, including Section 3.661, concerning the powers and duties of the Civil Service Commission, which was amended by the Charter Amendment; Charter Section 3.662, which establishes a new Department of Human Resources, authorizes the transfer of certain functions previously performed by the Civil Service Commission to the Department of Human Resources, requires the transfer of the Health Service System to the Department of Human Resources by October 1, 1995, and authorizes the transfer of the City's workers compensation program to the Department of Human Resources upon enactment of an implementing ordinance, but no sooner than July 1, 1994; and Charter Section 3.663, which adds Charter provisions concerning the selection of a Human Resources Director.

The proposed ordinance would implement Charter Section 3.662 concerning the transfer of the Health Service System and the workers compensation program to the Department of Human Resources. Although the title of the proposed ordinance also references Charter Sections 3.661 and 3.663, these Charter sections do not actually concern the transfer of the Health Service System and the workers compensation program to the Department of Human Resources.

Charter Section 3.662, added by the Charter Amendment, provides that:

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(1) The Department of Human Resources will be responsible for management and administration of all health services of employees. All programs, staff, and authority relating to the management and administration of health services shall be transferred to the Human Resources Department no later than October 1, 1995. (Health services are currently administered by the Health Service System.)

(2) Upon adoption of an implementing ordinance by the Board of Supervisors, the Department of Human Resources will be responsible for policy, management, and administration of the workers compensation program and shall review and determine applications for disability leave. All programs and staff relating to workers compensation may be transferred by ordinance to the Human Resources Department no earlier than July 1, 1994. (The City's workers compensation program is currently administered by the Workers Compensation Division of the Employees Retirement System.)

The proposed ordinance would (1) transfer the management and administration of health services of employees from the Health Service System to the Human Resources Department no later than July 1, 1994, which is earlier than the deadline of October 1, 1995, as stated in Charter Section 3.662 as enacted by Proposition L, and (2) transfer the workers compensation program from the Workers Compensation Division of the Employees Retirement System to the Department of Human Resources no sooner than July 1, 1994.

The proposed ordinance states the Board of Supervisors findings that these transfers should occur "as promptly as allowed by Charter Section 3.662 and in a way which does not impede the orderly and effective functioning of the City's workers compensation and health service functions."

**Comments:**

1. The proposed ordinance would effectuate the transfer of health service and workers compensation functions by directing the Human Resources Director, in consultation with the Director of the Health Service System (HSS) and the General Manager of the Employees Retirement System (ERS), to "organize and prepare for and effectuate the prompt transfer" of the City's health services and workers compensation functions to the Department of Human Resources.



2. The proposed ordinance directs the Human Resources Director to designate dates for the "formal and final" transfer of all programs, staff, and authority concerning the City's health services and workers compensation programs to the Department of Human Resources. Under the proposed ordinance, the Human Resources Director would formally designate these dates in writing to the Clerk of the Board of Supervisors at least 10 days prior to the proposed transfer dates.

3. The proposed ordinance would require the Human Resources Director to designate a date for the transfer of health services to the Department of Human Resources effective no later than July 1, 1994. As previously noted, the Proposition L Charter Amendment provides that health services shall be transferred to the Human Resources Department no later than October 1, 1995. Thus, the proposed ordinance would expedite the transfer of health services, relative to the required timeframe under the Charter Amendment.

4. The proposed ordinance provides that "the Human Resources Director may not designate a date for transfer of workers compensation hereunder effective earlier than July 1, 1994." This reflects the requirements of Charter Section 3.662, which states that workers compensation functions may be transferred by ordinance to the Human Resources Department no earlier than July 1, 1994.

5. On February 7, 1994, the Budget Analyst issued a management audit of the Workers Compensation Division (WCD) of the ERS which recommended that the WCD be transferred to the Human Resources Department in accordance with the "Proposition L" Charter Amendment.

6. Mr. Wendall Pryor, the Director of Human Resources, states that he is currently reviewing the recent management audit of the WCD. Mr. Pryor indicates that the findings and recommendations of the management audit, although they are still being reviewed, appear to be consistent with the action plan which has been developed for the establishment of the Department of Human Resources pursuant to the Proposition L Charter Amendment.

In particular, Mr. Pryor indicates that the action plan will focus on (1) integrating the workers compensation program, the Health Service System, and employee health and safety programs within the Department of Human Resources; (2) the development of a comprehensive management information

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system for the Department of Human Resources, including capabilities related to employee health care benefits and workers compensation; and (3) Department of Human Resources staffing needs for developing a coordinated management structure for employee health care benefits, workers compensation, and employee health and safety issues.

**Recommendation:** Approval of the proposed ordinance is a policy matter for the Board of Supervisors.



Item 5 - File 221-94-3

**Item:** Resolution urging the Mayor to urge the appropriate City officials to implement efficiency measures in the medical services component of workers compensation programs; including negotiating preferred provider discounts for physicians receiving referrals as well as for health care providers affiliated with CompAlliance PPO network, and seeking immediate discounts and a rebidding of the existing contract with Saint Francis Memorial Hospital; requesting a report every 60 days on progress being made to implement these recommendations.

**Description:** On February 7, 1994, the Budget Analyst issued a management audit of the Workers Compensation Division (WCD) of the Employees Retirement System (ERS) which was requested by the Board of Supervisors. The audit findings cited (1) contract rates for the services of Saint Francis Memorial Hospital (SFMH), the WCD's primary medical care facility for injured workers, which were not competitive with current market rates, and (2) opportunities for more favorable preferred provided discounts with referral physicians. In addition, the audit found that, if the WCD were to directly negotiate preferred provider discounts with health care providers who are affiliated with the WCD's CompAlliance preferred provider organization (PPO), the WCD could potentially eliminate its reliance on the CompAlliance PPO network to obtain preferred provider discounts.

The Budget Analyst estimated that the WCD could realize annual savings of \$407,000 by negotiating more favorable contract rates with SFMH, \$254,000 by negotiating preferred provider discounts with referral physicians, and \$350,000 by eliminating the proprietary fee paid to the Reviewco medical bill review company (a WCD independent contractor) for the use of the CompAlliance preferred provider network, which is administered by Reviewco.

The recent management audit recommended that the WCD should:

- (1) Modify its contract with Saint Francis Memorial Hospital to reflect the discounts recommended in the audit report, negotiate preferred provider discounts with referral physicians, and directly negotiate preferred provider discounts with health care providers who are affiliated with the CompAlliance preferred provider organization;

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- (2) Institute competitive selection for a health care facility which can provide initial evaluation and treatment of injured workers; and,
- (3) Evaluate the potential benefits over the longer term of using Workers Compensation Health Care Organizations (WCHCOs) to provide workers compensation medical services. WCHCOs were newly authorized by the State Legislature in August, 1993 in order to enable California employers to exert greater control over the employee's choice of treating physicians in workers compensation claims.

The proposed resolution would urge the Mayor to urge appropriate City officials to take immediate action to obtain appropriate discounts available from (1) all WCD referral physicians, (2) those health care providers affiliated with the CompAlliance PPO, and (3) Saint Francis Memorial Hospital.

In addition, the proposed resolution would also urge the Mayor to ask appropriate City officials to undertake a competitive selection procedure for a medical facility to provide initial evaluation and treatment of injured workers, to ensure that costs are minimized based on current market conditions. The proposed resolution observes that, if the contract were opened to competitive selection, it would be possible for San Francisco General Hospital to propose providing workers compensation medical services.

In addition, the proposed resolution would request the Mayor and appropriate City departments to report to the Board of Supervisors, 60 days after adoption of the proposed resolution and every 60 days thereafter, on the progress achieved in implementing these cost savings and the status of efforts to implement competitive selection for the WCD health care facility.

**Comments:**

1. The Budget Analyst has recently reported on the WCD's current costs for medical services and opportunities for more favorable preferred provider discounts as part of a management audit of the WCD. The Attachment was excerpted from the management audit and concerns the WCD's current health care costs and recommendations for more favorable preferred provider discounts.
2. The management audit also recommended that the WCD competitively bid its existing health care contract with Saint Francis Memorial Hospital. As noted by the Budget Analyst in the audit report, we strongly believe that current health care

market conditions indicate that a high level of interest would result from a competitive selection process, and that the Department of Public Health has expressed its desire to compete for the WCD health care contract for the initial evaluation and treatment of injured workers.

3. The recent management audit of the WCD analyzed WCD health care costs based on a fee schedule for workers compensation medical services which was issued by the California Department of Industrial Relations in November, 1987. The State's Official Medical Fee Schedule is defined as "prima facie evidence of a reasonable charge for the service[s]" which are included in the fee schedule.

However, a revised fee schedule issued by the State Department of Industrial Relations is expected to take effect on March 1, 1994. The Budget Analyst notes that the cost of WCD medical services and the implementation of the most favorable preferred provider discounts should be evaluated in the future based on the fee schedule which will take effect March 1, 1994, in order to reflect existing market conditions.

4. The management audit also recommended that, in addition to immediately undertaking competitive selection procedures for a health care facility to provide initial evaluation and treatment of injured workers, the WCD should evaluate the potential benefits of using Workers Compensation Health Care Organizations (WCHCOs) to provide medical services for injured workers in the future. WCHCOs were newly authorized by the State Legislature in August, 1993 in order to provide more effective control of workers compensation medical costs, and are currently being implemented.

By using WCHCOs, the City could control the employee's choice of medical providers in workers compensation claims for up to 365 days, compared to the current period of employer control of medical treatment of only 30 days. After the initial 30 day period, the injured employee is currently entitled to choose a physician of his or her choice. The employee will continue to be entitled to choose his or her own physician to provide treatment after the first 30 days, unless the City uses WCHCOs to provide medical treatment services in workers compensation claims. In addition, by using WCHCOs, the City may be able to consolidate the health care services of the WCD with the employee health care services provided by the Health Service System.

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We recommend that the WCD report on the implementation status of WCHCOs, as part of the periodic reports to the Board of Supervisors which would be requested under the proposed resolution.

**Recommendation:** Approval of the proposed resolution is a policy matter for the Board of Supervisors.

## **SECTION 7.1: COMPARATIVE COSTS AND PREFERRED PROVIDER DISCOUNTS**

- THE WCD HAS NOT COMPLIED WITH ADMINISTRATIVE CODE REQUIREMENTS TO REPORT ANNUALLY TO THE BOARD OF SUPERVISORS CONCERNING THE COMPARATIVE COSTS OF MEDICAL SERVICES WHICH ARE PROVIDED IN WORKERS COMPENSATION CLAIMS.
- THE WCD HAS NOT NEGOTIATED APPROPRIATE PREFERRED PROVIDER DISCOUNTS WITH HEALTH CARE PROVIDERS. THE WCD COULD REALIZE ANNUAL SAVINGS OF APPROXIMATELY \$1.1 MILLION BY NEGOTIATING MORE FAVORABLE PREFERRED PROVIDER DISCOUNTS, INCLUDING:
  - (A) \$407,045 FOR THE SERVICES OF SAINT FRANCIS MEMORIAL HOSPITAL;
  - (B) \$253,651 FOR THE SERVICES OF REFERRAL PHYSICIANS, WHO CURRENTLY ARE NOT SUBJECT TO ANY PREFERRED PROVIDER DISCOUNTS DESPITE THE HIGH VOLUME OF SERVICES PROVIDED BY A VERY FEW PHYSICIANS;
  - (C) \$350,000 BY DIRECTLY NEGOTIATING PREFERRED PROVIDER DISCOUNTS AND ELIMINATING THE CONTRACT SERVICES OF THE COMPALLIANCE PREFERRED PROVIDER NETWORK; AND,
  - (D) \$53,800 BY NEGOTIATING MORE FAVORABLE DISCOUNTS FOR CERTAIN DIAGNOSTIC PROCEDURES.
- THE WCD SHOULD NEGOTIATE AND IMPLEMENT MORE FAVORABLE PREFERRED PROVIDER DISCOUNTS WITH HEALTH CARE PROVIDERS IN ORDER TO REALIZE ANNUAL SAVINGS OF APPROXIMATELY \$1.1 MILLION.

### **Analysis of Comparative Costs of Medical Services**

Section 16.83 of the Administrative Code provides that the Retirement Board shall have authority to arrange for hospitalization and medical treatment, "at such hospitals or other medical facilities as it determines necessary and appropriate and as recommended by the attending physician" for workers who are injured in the course of City employment.

However, Section 16.83 of the Administrative Code also requires the Retirement Board to report annually to the Board of Supervisors concerning the "comparative costs of the aforesaid hospitals and other medical [facilities]" in order for the Board of Supervisors to review these costs. The City Attorney's office reports that the Retirement Board has failed to comply with this reporting requirement of the Administrative Code, despite having been advised by the City Attorney of its obligation to do so.



As a result of the ERS's failure to comply with the reporting requirements of the Administrative Code, the City has not obtained information concerning the comparative cost of health care services which are provided by the WCD.

### **Current WCD Preferred Provider Discounts**

#### *Saint Francis Memorial Hospital*

Since 1982, most of the City's injured workers have received initial medical treatment at the Franciscan Treatment Room (FTR) of Saint Francis Memorial Hospital. In addition to FTR services, SFMH has provided a range of other hospital-based medical services on behalf of the City's injured workers. However:

- The WCD pays more for office visits made by injured workers to SFMH than the rates established under the Official Medical Fee Schedule<sup>1</sup>; and,
- The SFMH contract provides less favorable discounts than those which would apply to SFMH services under the terms of the CompAlliance preferred provider network.<sup>2</sup> Although SFMH is a member of the CompAlliance network, the more favorable CompAlliance discounts have been suspended in order to apply less favorable contract rates.

In effect, the SFMH contract has increased the cost of SFMH services compared to the rates which would be payable for similar services under the Official Medical Fee Schedule and the CompAlliance PPO.

Table 7.1 compares the current SFMH contract rates and discounts with the rates and discounts which the City could receive for identical services under the Official Medical Fee Schedule and the CompAlliance PPO.

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<sup>1</sup> Under the Labor Code, the Official Medical Fee Schedule is issued by the State Division of Industrial Accidents to regulate the costs of medical services which are provided to injured workers. The fee schedule constitutes, "prima facie evidence of the reasonableness of fees charged for medical services" in workers compensation claims (Labor Code Section 5307.1).

<sup>2</sup> The WCD contracts with Reviewco to obtain preferred provider discounts under the CompAlliance PPO. Reviewco administers and applies these discounts as part of its contract to reduce medical bills to the Official Medical Fee Schedule. After charges are reduced to the fee schedule, the charges of CompAlliance providers are further reduced on a percentage basis. Reviewco states that the amount of these CompAlliance PPO discounts is proprietary information.



**Table 7.1**

**Comparison of SFMH, Fee Schedule, and CompAlliance Rates**

<u>Type of service</u>	<u>SFMH contract</u>	<u>Official Medical Fee Schedule (OMFS)</u>	<u>CompAlliance</u>
Inpatient services	Total hospital charges less 20 pct.	Does not apply to hospital services	Total hospital charges less 35 pct.
Ancillary hospital services (e.g. laboratory)	No discounts apply	Does not apply to hospital services	Total hospital charges less 20 pct.
Physical therapy <sup>1</sup>	Per OMFS	Per fee schedule	Charges less 20 pct.
X-rays <sup>1</sup>	Per OMFS	Per fee schedule	Charges less 20 pct.
Routine office visits			
Initial visit	\$47.25	\$46.74	\$42.07 <sup>3</sup>
Follow up visit	32.55	31.98	28.78 <sup>3</sup>
Emergency Room visits	\$90.29 <sup>2</sup>	\$49.82	\$44.84 <sup>3</sup>

<sup>1</sup> SFMH charges for these services are not subject to the fee schedule, since the fee schedule does not apply to hospital services. Nonetheless, the SFMH contract allows reductions to the fee schedule. However, when these services are provided in a non-hospital setting, they are (1) automatically subject to the fee schedule rates and (2) discounted by an additional 10 percent, under the CompAlliance PPO.

<sup>2</sup> Based on the average cost of SFMH emergency room visits in a sample of 100 SFMH medical bills from June 1992.

<sup>3</sup> Based on fee schedule rates, less 10 percent.

As shown in Table 7.1:

- Inpatient services are less costly under the CompAlliance PPO (discounted 35 percent) than under the terms of the contract (discounted 20 percent). Therefore, the WCD should realize discounts of at least 35 percent (rather than the current 20 percent discount) from SFMH inpatient charges.

- Ancillary hospital services (such as laboratory and diagnostic services) are less costly under the CompAlliance PPO (discounted 20 percent) than under the terms of the SFMH contract (no discounts apply). Therefore, the WCD should realize discounts of at least 20 percent on SFMH charges for ancillary hospital services.
- Physical therapy and x-ray services are payable at the fee schedule rates under the contract, whereas they would be discounted by 20 percent from total charges under the CompAlliance PPO. These contract (fee schedule) rates are more favorable than the CompAlliance discounts which apply to SFMH charges for physical therapy and x-ray services. Thus, if there were no contract, the City would pay more for x-rays and physical therapy services *which are provided by SFMH.*<sup>3</sup>

However, if identical services were provided by non-hospital based providers, they would automatically be subject to the fee schedule. If CompAlliance providers were used, fee schedule rates would be reduced by an additional 10 percent. Therefore, these services could be procured at a lower cost from non-hospital based providers who are members of the CompAlliance PPO. In order to be competitive with other providers, physical therapy and x-ray services now provided by SFMH should be procured at the fee schedule rate discounted by at least 10 percent.

- Routine office visits to the Franciscan Treatment Room cost more under the contract than comparable visits to non-hospital providers under the Official Medical Fee Schedule. Moreover, the CompAlliance PPO provides additional discounts of approximately 10 percent from fee schedule rates for non-hospital providers. Since the WCD could receive more favorable terms from non-hospital based CompAlliance providers, the WCD should pay for routine office visits at the fee schedule rate for routine office visits, discounted by at least an additional 10 percent.
- Emergency room visits are payable under the contract at a rate of \$77 to \$100, depending on the service provided. However, our review of SFMH bills reflects that most emergency room visits were charged at the maximum rate of \$100, regardless of the service provided, and the

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<sup>3</sup> The Official Medical Fee Schedule does not apply to hospital services, but only to non-hospital providers. Therefore, x-ray and physical therapy services at SFMH would not ordinarily be subject to the fee schedule. However, the SFMH contract "permits" SFMH charges for x-rays and physical therapy to be reduced to the fee schedule. The reduction of these hospital charges to the fee schedule rates creates significant savings compared to actual charges or CompAlliance discounts of 20 percent, as shown in Table 11.2. However, the fee schedule would apply automatically to identical services provided in a non-hospital setting, and CompAlliance providers would provide further discounts of approximately 10 percent.

average cost of each visit was \$90.29.<sup>4</sup> This practice is contrary to the terms proposed by SFMH in 1981, which included reducing office visits made to the SFMH emergency room to applicable rates under the Official Medical Fee Schedule. Therefore, the WCD should pay no more than applicable fee schedule rates for emergency room visits. In addition, due to the volume of WCD medical services provided by the hospital, these emergency room visits should also be discounted by at least an additional 10 percent preferred provider discount.

Table 7.2 presents an analysis of actual SFMH charges under various pricing schedules. Specifically, the table reflects:

- (A) Estimated SFMH charges in 1992-93 for each type of service;
- (B) Rates for identical services under the Official Medical Fee Schedule;
- (C) Costs of services in each category under applicable SFMH contract rates;
- (D) The cost of SFMH services if there were no contract, and SFMH charges were reduced according to the terms of the CompAlliance PPO; and,
- (E) The maximum cost which we estimate that the WCD should pay for SFMH services, based on rates established in the Official Medical Fee Schedule and current CompAlliance PPO discounts.

As shown in Table 7.2, the WCD could realize annual savings of an estimated \$407,045 by applying discounts for the services of SFMH which are currently available to the WCD under the Official Medical Fee Schedule and the CompAlliance PPO network.<sup>5</sup>

In summary, SFMH services are more costly under the contract than the WCD would pay for these services under the CompAlliance PPO (for inpatient and ancillary services), and the Official Medical Fee Schedule (for office visits, x-rays, and physical therapy). Since the WCD could currently procure identical services at lower rates, the contract rates for SFMH services are not competitive.

The WCD should modify its contract with SFMH in order to obtain immediately the discounts which are recommended above. If SFMH is unwilling to accept such modifications, the contract should be cancelled following a 90 day notice, and arrangements should be made for City workers to obtain treatment from other physicians designated by the WCD or from their personal physicians, until an alternative medical contractor can be retained.

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<sup>4</sup> The fee schedule applies only to emergency room services provided by contract physicians who are not affiliated with the hospital. However, SFMH offered in its original 1981 proposal to charge for emergency room visits at the fee schedule rate. As shown above, this original SFMH proposal for the pricing of emergency room visits has not been implemented under the contract.

<sup>5</sup> This analysis is based on the Official Medical Fee Schedule which is currently in effect. However, the State has issued a new fee schedule, to take effect March 1, 1994, which will make significant revisions to the allowable rates for workers compensation medical services.

TABLE 7.2  
COMPARISON OF SFMH COSTS  
Under different pricing schedules

	(A) Estimated annual charges	(B) Rates under Off. Medical Fee Schedule	(C) SFMH contract cost	(D) CompAlliance Discounts*	(E) Recommended Discounts (PPO rate @ 10%)
<b>1992-93</b>					
<b>Service</b>					
1 X-ray	787,175	400,082	400,082 (1)	629,740 (4)	360,074 (6)
2 Physical therapy	1,222,707	501,483	501,483 (1)	978,166 (4)	451,335 (6)
3 Emergency Room	130,580	48,127	79,609 (2)	104,464 (4)	43,314 (6)
4 Ancillary services	550,615	550,615	550,615	440,492 (4)	440,492 (7)
5 Outpx pharmacy	47,275	40,657	47,275	37,820 (4)	37,820 (7)
6 Occ. Health Clinic	275,114	270,339	275,114 (2)	275,114 **	243,305 (6)
7 Outpatient totals	3,013,466	1,811,303	1,854,178	2,465,796	1,576,340
8 Inpatient	861,378	861,378	689,102 (3)	559,896 (5)	559,896 (8)
9 Total SFMH Fees	3,874,844	2,672,681	2,543,280	3,025,691	2,136,236

(1) Red. to fee schedule

(2) Reflects contract rates

(3) Inpatient fees less 20%

\* Fee schedule does not apply (6) Fee schedule less 10%

(4) Outpatient fees less 20% (7) Outpatient fees less 20%

(5) Inpatient fees less 35% (8) Inpatient fees less 35%

\*\* Market rate is unknown

**Columns (C-D)**

**Savings Summary: CompAlliance and recommended discounts compared to current SFMH contract rates**

- CompAlliance discounts result in higher costs of \$482,411, due to hospital rates for physical therapy and x-ray services.
- Recommended discounts (see text) result in annual savings of \$407,045.

**Columns (C-E)**

<b>(\$611,618)</b>	<b>\$277,838</b>
Outpatient: savings vs. contract	
<b>\$129,207</b>	<b>\$129,207</b>
Inpatient: savings vs. contract	
<b>(\$482,411)</b>	<b>\$407,045</b>
All services: savings vs. contract	



This recommendation is made to ensure that SFMH charges are competitive with existing fee schedule and CompAlliance discounts. In addition, the WCD should immediately undertake competitive bidding for its health care services, to ensure that costs are minimized based on current market conditions. Our specific recommendations for restructuring WCD health care services based on competitive bidding are discussed below, under "Alternative Health Care Delivery" (Section 7.2).

### ***Referral Physicians***

The Budget Analyst has reviewed 1992-93 expenditure data obtained from Reviewco in order to assess the extent to which medical services are being provided by physicians who appear on various WCD referral lists. This analysis shows that, of total WCD 1992-93 medical expenditures of \$16,642,174 which were reported by Reviewco,<sup>6</sup> a total of \$2,536,591 or approximately 15.2 percent was paid to physicians who appear on one or more of the three referral lists which were provided by the WCD to the Budget Analyst.

A total of 318 separate physicians appear on the three referral lists which were provided by the WCD.<sup>7</sup> However, most expenditures for the medical treatment and consultation services of referral physicians have been made to a small subset of these referral physicians. For instance:

- Four physicians received in excess of \$100,000 during 1992-93, and one medical firm (comprised of several WCD referral physicians) was paid more than \$300,000.
- The single most highly paid physician was a neurologist who received in excess of \$200,000 during 1992-93.
- The 25 most highly paid physicians comprise only 7.9 percent of the 318 listed referral physicians, but received \$1,868,511 in 1992-93, or 73.7 percent of total 1992-93 expenditures of \$2,536,591 for the services of referral physicians.

Despite the high degree of utilization of a relatively small number of referral physicians, the WCD has not negotiated any preferred provider discounts with these physicians, and most are not enrolled in the CompAlliance PPO which is administered by Reviewco. CompAlliance preferred provider discounts which were applied to the services of the WCD's referral physicians in 1992-93 totaled \$25,503. This represents only one percent of total 1992-93 fees paid to these physicians of \$2,536,591.

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<sup>6</sup> Total 1992-93 WCD medical expenditures were actually \$17,850,114, but were under-reported by Reviewco in September, 1993 because data had been purged for some 1992-93 claims.

<sup>7</sup> One referral list is dated January 16, 1983, and thus appears to date from the inception of the Saint Francis Memorial Hospital contract; another referral list was developed by SFMH; and a third was brought to the WCD by a Claims Supervisor from a private insurance company.

Were the WCD to impose preferred provider discounts of 10 percent on the services of its referral physicians, the City would realize annual savings of approximately \$251,096, based on total annual expenditures of \$2,510,961 for these services. Such a 10 percent discount would be comparable to the discounts which are currently applied to the services of physicians who are enrolled in the CompAlliance PPO. We therefore recommend that the WCD negotiate preferred provider discounts with all referral physicians who receive WCD referrals, in amounts which are at least 10 percent below the rates established under the Official Medical Fee Schedule.

#### *CompAlliance Preferred Providers*

The WCD currently pays \$350,000 on an annual basis to utilize the CompAlliance PPO network which is utilized by Reviewco. According to Reviewco data, the WCD realized annual savings of approximately \$2.4 million in 1992-93 for the services of CompAlliance PPO providers. Of this amount, approximately \$1.6 million, or 67 percent, represented discounts applied to the services of Bay Area hospitals who are members of the CompAlliance PPO.

The WCD should analyze the feasibility of directly negotiating preferred provider discounts with health care providers who are affiliated with the CompAlliance network. By directly negotiating such discounts, the WCD could eliminate the need to contract with Reviewco to receive CompAlliance preferred provider rates. If discounts were negotiated directly with these providers, the WCD could save the \$350,000 administrative fee which is paid to Reviewco in order to obtain CompAlliance preferred provider discounts.

#### *Diagnostic Procedures*

The WCD Medical Coordinator has negotiated preferred provider discounts with Future Diagnostics to obtain discounted rates for Magnetic Resonance Imaging (MRI) diagnostic procedures.<sup>8</sup> The Medical Coordinator states that the WCD had not obtained discounted rates for MRI procedures when she was retained in March, 1991. The Medical Coordinator subsequently negotiated a preferred provider rate of \$725 for each MRI procedure, compared to standard rates of up to \$1,100 per procedure. She states that a lower \$725 rate took effect in October, 1993.

In contrast, the Health Service System currently pays between \$593 and \$618 for the majority of MRI procedures which are provided under the self-insured City Health Plan. We estimate that, if the WCD were to pay \$618, rather than the current rate of \$725, for each MRI procedure, the City would realize annual savings of approximately \$53,800.<sup>9</sup> Therefore, the WCD should attempt to negotiate a discounted rate of no more than \$618 for MRI procedures.

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<sup>8</sup> The MRI is a radiology procedure used to evaluate internal injuries to bones and soft tissue.

<sup>9</sup> The Health Service System also requires pre-approval by its utilization review contractor, Health Care Evaluation, Inc. for MRI and other major diagnostic procedures. The WCD does not currently require pre-approval of such procedures.



### ***Additional Potential Savings***

Other types of preferred provider discounts may be available to the WCD. In particular, charges submitted by retail pharmacies are currently reduced by Reviewco based on the wholesale cost of pharmaceuticals, increased by 40 percent. We have not evaluated whether this rate is more or less favorable than preferred provider discounts which may be available for pharmaceuticals, but this is an additional example of high volume services which could be discounted through the use of preferred provider networks. Clinical laboratory services are another example of health care services which are currently paid at full cost by the WCD.

The WCD should undertake an analysis of all of its medical and health care services in order to identify opportunities for additional preferred provider discounts, and should report to the Board of Supervisors concerning the comparative cost of medical services, as required under the Administrative Code.

### **Conclusions**

The ERS has not complied with reporting requirements of the Administrative Code concerning the comparative cost of health care services which are provided by the WCD. The WCD has not negotiated appropriate preferred provider discounts with SFMH and referral physicians, and currently expends more for some SFMH services than it is required to pay under the Official Medical Fee Schedule and the CompAlliance PPO. Additional PPO discounts are available for diagnostic procedures, and may be available for other types of health care services.

### **Recommendations**

The WCD should:

- 7.1-1 Modify its contract with SFMH to obtain discounts which are recommended above. If SFMH is unwilling to accept such modifications, the contract should be cancelled following a 90 day notice, and arrangements should be made for City workers to obtain treatment from other physicians designated by the WCD or from their personal physicians, until an alternative medical contractor can be retained;
- 7.1-2 Negotiate preferred provider discounts with all referral physicians who receive WCD referrals, in amounts which are at least 10 percent below the rates established under the Official Medical Fee Schedule;
- 7.1-3 Analyze the feasibility of directly negotiating preferred provider discounts with health care providers who are affiliated with the CompAlliance network;

- 7.1-4 Seek to negotiate a preferred provider rate of no more than \$618 for MRI procedures;
- 7.1-5 Analyze all of its medical and health care services in order to identify opportunities for additional preferred provider discounts;
- 7.1-6 Report annually to the Board of Supervisors concerning the comparative cost of medical services, as required under the Administrative Code.

**Costs/Benefits**

The WCD could realize annual savings of approximately \$1.1 million by negotiating preferred provider discounts which are recommended above. Additional savings could result if the WCD were to analyze the comparative costs of its medical services, as required under the Administrative Code, in order to identify cost saving strategies.

Item 6 - File 93-94-1

**Department:** Mayor's Office - Employee Relations Division (ERD)

**Item:** Resolution ratifying a Letter of Agreement with Laborers International Union, Local 261.

**Description:** The proposed Letter of Agreement between the City and Laborers International Union, Local 261, provides for reimbursement of expenses incurred by City employees in obtaining and maintaining an Agricultural Pest Control Advisor License when such license is required by a City department. The license is issued by the California State Department of Pesticides Regulation.

Mr. William Gill of ERD reports that California State law requires that whenever certain pesticides are to be applied, a plan written by a holder of a Pest Control Advisor License must be completed prior to obtaining State approval to apply the pesticides. According to Mr. Gill, the City departments requiring the services of individuals holding a Pest Control Advisor License are the Departments of Recreation and Park (Rec/Park), which has four such licensees, and Public Works (DPW), which has one licensee.

Ms. Marsha Ramirez of Rec/Park reports that the Department previously had three Classification 3424, Pest Control Specialist, positions that performed the function of developing pesticide control plans, amongst other duties, but that those positions were eliminated in the FY 1993-94 Budget. According to Ms. Ramirez, four gardeners within the Department who hold the Pest Control Advisor License have agreed to develop the required plans. Ms. Ramirez states that the number of plans required by Rec/Park on an annual basis exceeds 100.

Mr. Gill reports that in the absence of the required number of appropriately licensed staff, the City would be required to use consultants to write the required plans when certain pesticides are to be used. Ms. Ramirez reports that the minimum cost of each plan is \$300. Ms. Ramirez states that, to date, Rec/Park has not had to use any consultants to develop the pesticide plans.

Accordingly, in response to a union request to remove the financial barrier for staff to obtain and maintain the license, an agreement to reimburse employees for this cost was reached. The current cost of a license is \$110 every two years. Therefore, the annual cost of reimbursing the five City

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employees for the cost of a Pest Control Advisor License fee would be approximately \$275, or \$550 every two years.

In addition to the licensing cost, the subject Letter of Agreement would require that the City pay the \$75 annual membership fee to the California Agriculture Production Consultant Association (CAPCA) for holders of the Agricultural Pest Control Advisor License. CAPCA is a professional association that provides information on developments in the field of pesticide application and assists its membership in maintaining expertise in various fields, including the use of pesticides. The annual cost of membership for the estimated five City employees would be \$375.

**Comments:**

1. The proposed new Agreement would be in force from the date of its adoption by the Board of Supervisors until the expiration date of the existing Local 261 Agreement with the City, which is currently June 30, 1995. Local 261 may reopen the subject issues only if there is a change in State law which directly affects the qualifications for the Pest Control Advisor License, or the conditions governing its use.

2. A condition of the proposed Letter of Agreement is that the City's negotiating representatives will attempt to attain a letter from the City Attorney setting forth the obligations of the City with respect to indemnification of employees for actions taken, or not taken, under their Pest Control Advisor License.

3. The total estimated annual cost of reimbursing City employees for obtaining the Agricultural Pest Control Advisor License (\$275) and for the membership dues in CAPCA (\$375) is \$650. Presently, these expenses are borne by the employees.

4. The affected departments would budget to cover the costs of the memberships and licenses in their annual budgets.

**Recommendation:** The decision of whether to approve the Letter of Agreement between the City and Laborers International Union, Local 261, which would reimburse City employees for expenses incurred in obtaining and maintaining an Agricultural Pest Control License and for annual membership fees to the CAPCA, is a policy matter for the Board of Supervisors.



Item 7 - File 68-94-7

**Department:** Mayor's Office of Housing (MOH)

**Item:** Resolution approving amendments to procedures for allocating Federal Home Program Funds.

**Description:** The Home Investment Partnership (HOME) Program is authorized under Title II of the National Affordable Housing Act of 1990 (Public Law Number 101-625), which provides funds for the acquisition, rehabilitation and development of affordable housing.

In August 1992, the Board of Supervisors approved Resolution No. 769-92 (File 68-92-4.1) which stated the procedures for the allocation of HOME Program funds. In October of 1993, the Board of Supervisors approved amendments of the Program Description for the 1993 HOME program funds of \$5,419,000, which identified additional areas to be funded as part of the 1993 HOME Program including (1) home ownership opportunities for low income first-time buyers, (2) administrative funding for tenant social services by nonprofit housing development corporations and (3) tenant-based rental assistance for emergency homeless prevention (File 68-93-4.1).

The proposed resolution would amend the procedures to allocate HOME funds to: a) allow for the implementation of the additional areas previously approved by the Board of Supervisors (File 68-93-4.1), as described above; and b) add flexibility in the disbursement of HOME funds allocated to investor-owners of low-income rental properties through Rehabilitation Matching Fund (RMF) loans (\$500,000 of the total \$5,419,000 in 1993 HOME funds). Currently, applicants for RMF loans must match approved HOME funds on a dollar for dollar basis. This change would remove the requirement that the owner provide a dollar for dollar match of the HOME funds, and would permit owners to receive up to 100% financing of the rehabilitation if the project feasibility requires this type of financing. Loan terms will be varied depending on the percentage of costs financed by the City, currently varying from 0% interest for a dollar for dollar, to a 6% interest rate where the HOME funds are not matched.

**Comments:** 1. Mr. Joe LaTorre of the MOH advises that the MOH expects that the change in the matching requirement for RMF funds will lead to greater participation in the program by owners of low-income rental properties who would not have participated

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under current allocation procedures requiring a dollar for dollar match by the owner.

2. Copies of the amended Criteria for Procedures for allocating HOME Program funds are on file with the Clerk of the Board.

**Recommendation:** Approval of the proposed resolution is a policy matter for the Board of Supervisors.



Item 8 - File 97-94-9

**Department:** Health Commission

**Item:** Ordinance amending the Administrative Code by adding Section 1.42 thereto, authorizing the Health Commission to execute hold harmless agreements with Alameda County when contracting for certain Mental Health services.

**Description:** Currently, the City of San Francisco has an ongoing contract with Alameda County, whereby Alameda County provides skilled nursing inpatient services to mentally ill adult residents of the City and County of San Francisco who have organic brain syndrome. The proposed ordinance would allow the Health Commission to enter into hold harmless agreements with Alameda County for the provision of these skilled nursing inpatient services. Under these hold harmless agreements, Alameda County would hold the City and its employees harmless from liability for injuries or damages which result from negligence of employees of Alameda County. Additionally, the City would hold Alameda County and its employees harmless from liability for injuries or damages which result from the negligence of employees of the City and County of San Francisco.

**Comments:** 1. Ms. Yvonne Eckoff of the Department of Public Health advises that Alameda County is the only county that the City contracts with for skilled nursing inpatient services for residents of the City and County of San Francisco who have organic brain syndrome. However, the City does currently have a similar hold harmless agreement with San Mateo County, whereby San Mateo County provides skilled nursing inpatient services for residents of the City and County of San Francisco who require psychiatric hospitalization and medical care, according to Ms. Eckoff.

2. According to Ms. Paula Jesson of the City Attorney's Office, it is common for mutual hold harmless agreements to be included as part of these types of intergovernmental contracts.

**Recommendation:** Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

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Item 9 - File 143-94-1

**Department:** San Francisco Police Department (SFPD)

**Item:** Resolution authorizing the Chief of Police to retroactively apply for, accept and expend \$2,000,000 in new Federal funds for a three-year project entitled "Police Hiring Supplement Program," which requires a cash match of \$2,087,940.

**Grant Amount:** \$2,000,000 over a three year period. (See budget below.)

**Grant Period:** July 1, 1994 through June 30, 1997 (three years)

**Source of Funds:** Bureau of Justice Assistance, U.S. Department of Justice

**Project:** Police Hiring Supplement Program

**Description:** The proposed Federal grant funding would be used by the SFPD, in combination with the required cash match, to pay the initial three years of salaries and fringe benefits for 20 new Police Officers (Q2s) to be assigned to the District Stations.

**Budget:** Salary And Fringe Benefits For 20 Officers

	U.S. Dept. of Justice	Local Match	Total
FY 1994-95	\$614,800	\$614,800	\$1,229,600
FY 1995-96	680,440	680,440	1,360,880
FY 1996-97	<u>704,760</u>	<u>792,700</u>	<u>1,497,460</u>
TOTAL COST	\$2,000,000	\$2,087,940	\$4,087,940

The estimated annual salary and fringe benefit cost for each Q2 in the first year of the program (FY 1994-95) is as follows:

Salary:	\$45,054
Fringe Benefits:	<u>16,426</u>
Total:	\$61,480

**Required Match:** \$2,087,940 over a three year period. (See budget above.) - The funding source for this required local match would be the General Fund. In addition to the \$2,087,940 project match, after the three-year grant period, the annual cost of salaries and fringe benefits for these 20 Police Officers would be paid entirely by the City. In FY 1997-98, the first year when the City would pay the full salaries and fringe benefits of the 20 Police Officers, the cost is estimated to be \$80,278 per Police

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Officer, for a total cost of \$1,605,560. An estimated \$685,884 in recruitment, training and equipment costs would also be paid by the City from the General Fund.

**Indirect Costs:** Under the Police Hiring Supplement Program, grant funds cannot be used for indirect costs.

**Comments:** 1. In addition to the required match needed to fully pay for the salaries and fringe benefits, the SFPD states in the grant application that the City would cover the cost of conducting pre-employment background investigations, purchasing uniforms and equipment, providing Police Academy training, and salary and fringe benefits during the training period. These costs would total an \$685,884, as detailed in the attachment provided by the SFPD.

2. Mr. John Madden of the Controller's Office advises that because the grant requires the Mayor and Board of Supervisors to appropriate additional funds in future years to the Police Department above the current level of funding, the Controller cannot certify the availability of required matching funds.

3. The grant application states that, "It is the intention of the Police Department to continue the program and maintain all officers hired under the program after the conclusion of the grant period." Police Officers hired under the program would be incorporated into the SFPD budget as permanent employees of the Department, at a total cost in FY 1997-98 (when the grant would end) of approximately \$1,605,560.

4. On January 31, 1994, the Board of Supervisors ordered a proposed Charter Amendment to be submitted to the voters on the June, 1994 ballot, to establish a minimum full duty staffing level of 1,971 Uniformed Police Officers for the City and County of San Francisco by June 30, 1995 (File 314-93-1). Lt. Lawrence Ryan of the SFPD states that, if the SFPD receives the proposed grant, the 20 new Police Officer positions would be used to help the SFPD achieve the proposed goal of maintaining 1,971 full duty Uniformed Police Officers. Lt. Ryan states that the 20 positions would not be used to exceed the 1,971 Uniformed Police Officer staffing level in FY 1994-95.

5. Application for this grant was made in November, 1993. In December, 1993 the Board of Supervisors approved a supplemental appropriation ordinance (File 101-93-50) that included funds to increase the number of Uniformed Police Officers by 100 during the period of January through June, 1994. Recruitment and training of 50 new Police Officers was

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funded in that supplemental appropriation, along with hiring of 50 lateral transfers (sworn peace officers recruited from other cities). Training for the 50 new recruits began on January 24, 1994, and will be completed in nineteen weeks.

Sergeant John Bisordi of the SFPD advises that the 20 Police Officers to be hired under the grant could be identified from among the new recruits who successfully complete the Academy Class, if Department of Justice approval can be obtained. Sergeant Bisordi reports that in the grant application, the SFPD specifically proposed use of 20 of the Police Officers authorized for hire under the supplemental appropriation to fill the grant-funded positions.

6. Sergeant Bisordi reports that the SFPD base budget for FY 1994-95 being requested by the SFPD assumes that salaries of all 100 of the Police Officers funded under the previously approved supplemental appropriation would be funded entirely by the City. Sergeant Bisordi states that receipt of the funds under this proposed \$2.0 million grant would reduce SFPD's base budget requirements by an estimated \$614,800 in FY1994-95 (the amount of the FY 1994-95 grant award, which represents 50 percent of the FY 1994-95 salary and fringe benefit costs (amounting to \$1,229,600) of 20 new Police Officers).

7. The Summary of Grant Request prepared by the Department is attached.

8. The SFPD has prepared a Disability Access Checklist for the proposed grant program which is on file with the Clerk of the Board's Office.

**Recommendation:** Because the proposed resolution would obligate future year General Fund appropriations, the Budget Analyst considers approval of the proposed resolution to be a policy matter for the Board of Supervisors.



Factor U. S. Department of Justice  
 Contact Person \_\_\_\_\_  
 Address 633 Indiana Ave. NW Room 948  
Washington D.C., 20531  
 Amount Requested \$ 2,000,000.00  
 Term: From 7/1/94 To 6/30/97  
 Health Commission \_\_\_\_\_ Board of Supervisors: Finance Committee \_\_\_\_\_  
 Full Board \_\_\_\_\_

Division: Bureau of Justice Assistance  
 Section \_\_\_\_\_  
 Contact Person \_\_\_\_\_  
 Telephone (202) 307 1480  
 Application Deadline 11/14/93  
 Notification Expected 12/93

I. Item Description: Request to (apply for) (accept and expend) a (new) (~~modification~~) (~~extension~~) (~~renewal~~)  
 (Circle appropriate words) grant in the amount of \$2,000,000 from the period of 7/1/94 to 6/30/97  
 to provide the hiring of new police officers services.

II. Summary: (Concise history, past address; number & group name; services and providers)

These funds are offered to the San Francisco Police Department to hire new police officers for community oriented policing. It will allow the Department to hire twenty (20) new police officers for assignments in the district stations. With these newly hired officers, the Department will be able to expand the community oriented policing philosophy.

III. Outcomes/Objectives:

The Department plans to increase the staffing levels of the patrol force allowing the expansion of the community oriented policing philosophy. It will improve the relationship between citizens and officers working together to solve neighborhood problems.

IV. Effects of Reduction or Termination of These Funds:

V. Financial Information:

	Col. A Two Years Ago	Col. B Past Year/Orig.	Col. C Proposed	Col. D Change	Req. Match	Approved by
Grant Amount			\$2,000,000.00		\$2,000,000.00	01-001
Personnel			2,000,000.00		2,000,000.00	38-02-51
Equipment						Index Code
Contract Svc.						582015
Mat. & Supp.						PHASE D
Facilities/Space						page 1030
Other						11.17.93
Indirect Costs						

VI. Data Processing

(none included above)

VII. Personnel

	F/T CSC	P/T CSC	Contractual
	20		

Source(s) of non-grant funding for salaries of CSC employees working part-time on this grant:

From City & County of San Francisco budget or from the extension of 1% sales tax.

Will grant funded employees be retained after this grant terminates? If so, How?

Yes, incorporated in the Police Department's budget.

VIII. Contractual Services: Open Bid \_\_\_\_\_ Sole Source \_\_\_\_\_ (If sole source, attach Request for Proposals Form)



Item 10 - File 65-94-6

**Department:** Water Department

**Item:** Ordinance authorizing amendment to lease of Water Department Land in Alameda County with the Santa Clara Sand and Gravel Company, Inc. The proposed amendment would increase the lease area by 45 acres from approximately 272.32 acres to approximately 317.32 acres. The existing royalty payment received by the City from Santa Clara Sand and Gravel Company, Inc., of \$0.57 per ton of gravel or other saleable material, such as top soil or sand, removed from the site would not change.

**Location:** Calaveras Road in Sunol, California

**Purpose of Lease:** Currently leased to the Santa Clara Sand and Gravel Company, Inc., for use as a gravel quarry.

**Lessor:** City and County of San Francisco

**No. of Sq. Ft. and Cost per Month:** 317.32 acres with royalty fees of \$0.57 per ton of gravel or other saleable material removed from the site.

**Annual Revenues:** \$308,946.84 (based on calendar year 1993 data wherein 542,012 tons of gravel were removed from the 272.32 acre site at \$0.57 per ton). Minimum annual revenues payable to the City are \$200,000.

**% Increase Over Previous Lease:** Royalty is adjusted annually based on changes in the Engineering News/Record Index

**Term of Lease:** March 1, 1994 through December 31, 2000

**Right of Renewal:** None

**Description:** The City first entered into the lease for the approximately 272.32 acres of Water Department land with the Santa Clara Sand and Gravel Company, Inc., in 1980. According to Mr. Gerald Romani of the Water Department, the original royalty fee received by the City from the Santa Clara Sand and Gravel Company, Inc., at that time was \$0.30 per ton of gravel removed from the site.

The City's lease with the Santa Clara Sand and Gravel Company, Inc. was last amended in June of 1986. Mr. Romani reports that the changes effected in that lease amendment were to increase the royalty rate to \$0.50 per ton

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effective January 1, 1987, increase the minimum annual royalty payment from \$125,000 to \$200,000, and increase the permissible depth of the gravel pits from 100 feet to 140 feet. Further, in addition to index generated royalty adjustments, the 1986 lease amendment provided the right of both parties to a reasonable and justifiable royalty review and adjustment on January 1, 1992, and January 1, 1997. At the time of the 1986 lease amendment, 272.32 acres were leased from the Water Department. The present royalty payment rate of \$0.57 per ton was established as of January 1, 1992.

The Water Department now intends to lease the Santa Clara Sand and Gravel Company, Inc., an additional City-owned 45 acre parcel adjacent to the existing 272.32 acre site (see Attachment). This 45-acre parcel would be used as a silt pond<sup>1</sup>. According to Mr. Romani, the existing silt pond has approximately two more years of useful life. Upon termination of its useful life, the existing silt pond will be layered with soil and cannot be used for mining operations. Mining regulations strictly specify the conditions for treating silt, and Mr. Romani states that it will take approximately two years of excavation to ready the proposed silt pond within the additional 45-acre site.

**Comments:**

1. The Public Utilities Commission, at its meeting of January 25, 1994, adopted Resolution No. 94-0019 approving the terms and conditions of the proposed lease amendment.
2. In Calendar Year 1993, for the 272.32 acre site, 542,012 tons of gravel were removed from the site resulting in a payment to the City of \$308,946.84 based on \$0.57 per ton of gravel removed. Mr. Romani states that since the rent is based on royalty fees of gravel product mined and sold, the City would not be paid any additional compensation from the Santa Clara Sand and Gravel Company, Inc. for lease of the additional 45 acres.
3. As previously stated, the existing lease provides for a royalty review and adjustment, if justified, effective January 1, 1997, in addition to annual Engineering News/Record Index generated royalty adjustments.
4. According to the representations of Mr. Romani, without the creation of a new silt pond, the use of the entire site as a gravel quarry would cease. Therefore, the Water Department is proposing to lease this additional 45 acres to Santa Clara

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<sup>1</sup>A silt pond is a sediment pond for disposal of water from an ongoing mining operation. The washwater, used to remove clay from the gravel after mining, is deposited into the silt pond where the heavy clay particulate filters out and the cleaner surface water is recycled for use as washwater.

Sand and Gravel Company, without any charges to the Company. Since the Budget Analyst does not know if there are other revenue-generating potentials of the acreage being leased to Santa Clara Sand and Gravel Company, Inc., the Budget Analyst considers approval of this amended lease, which would lease an additional 45 acres to the Santa Clara Sand and Gravel Company, without any additional charge to this Company, to be a policy decision for the Board of Supervisors.

**Recommendation:** Approval of the proposed ordinance is a policy decision for the Board of Supervisors.



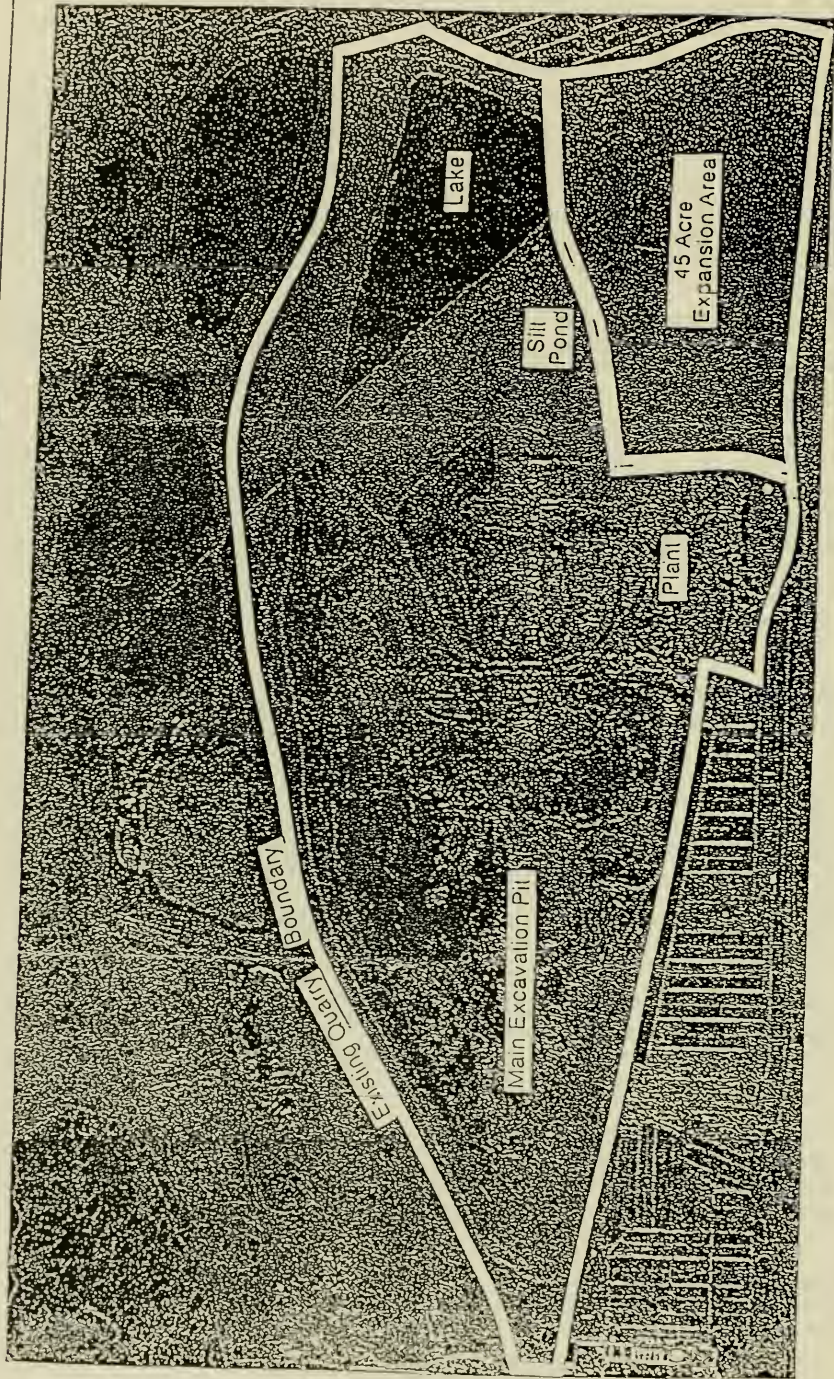


Figure 2-3  
Existing Conditions - Aerial Photo

Source: Bessell and Kam, Inc.



MILLS ASSOCIATES  
Planning and Environmental  
Services

Item 11 - File 97-94-8

- Department:** Public Utilities Commission (PUC)
- Item:** Ordinance amending the City's Administrative Code by adding Section 1.44 authorizing the Public Utilities Commission to execute hold harmless agreements with vendors of used transit vehicles.
- Description:** In order to execute an agreement to purchase used transit vehicles, the PUC would indemnify and hold harmless the selling agency against any legal action arising out of injury to persons or property that might occur in the course of the use of the used transit vehicles. The proposed ordinance would allow the PUC to execute hold harmless agreements with vendors of used transit vehicles.
- Comments:**
1. According to Ms. Kathleen Kelly of the PUC, the PUC has requested bids for the purchase of used diesel buses for use in Municipal Railway's (MUNI) reserve fleet. Ms. Kelly advises that MUNI's reserve fleet supplements MUNI's regular fleet of 455 diesel buses. Currently, MUNI's reserve fleet is composed of 40 buses built in 1969, of which only 17 are operational. These 17 buses have been operating continuously for 25 years, require excessive maintenance and are not wheelchair accessible. Thus, according to Ms. Kelly, MUNI has decided to purchase used vehicles from other transit agencies in order to: a) maintain a reserve fleet of 40 vehicles; b) procure vehicles that, although beyond retirement age, are newer than the current reserve fleet and will require less maintenance; and c) have a reserve fleet that is wheelchair accessible.
  2. However, prior to the purchase of these used transit vehicles, the potential selling agencies have requested that they be held harmless against legal action arising out of injury to persons or property that might occur in the use of the subject used transit vehicles, according to Ms. Kelly.
  3. According to Ms. Angela Karikas of the City Attorney's Office, the City does not indemnify and hold harmless selling agencies when the City purchases new transit vehicles. Ms. Karikas further advises that this is the first time that a hold harmless agreement regarding the purchase of used transit vehicles has come before the City Attorney's Office.
  4. Ms. Karikas reports that she is unable to estimate the potential risk of the proposed ordinance.

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Memo to Government Efficiency and Labor Committee  
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**Recommendation:** Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

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Item 12 - File 172-94-4

**Department** Public Utilities Commission (PUC)

**Item:** Resolution authorizing the Public Utilities Commission to enter into hold harmless agreements with members of the Advisory Muni Metro Turnback Construction Contract Disputes Review Board.

**Description:** The Muni Metro Turnback Project is a project that will relocate the Muni Light Rail Vehicle terminal from Embarcadero to Folsom Street. The contractor who is building the new terminal is Tutor Perrini, a joint venture partnership.

As a condition for funding the Muni Metro Turnback Project, the Federal Transportation Administration (FTA) required that the PUC establish an Advisory Muni Metro Turnback Construction Contract Disputes Review Board. The Disputes Review Board is to adjudicate claims and provide written recommendations to the PUC and the contractor for the resolution of such claims in order to circumvent litigation. The Disputes Review Board is to consist of a panel of three members, one selected by the PUC, one by the contractor, and one by the other two Disputes Review Board members. The FTA provided \$250,000 to fund the Disputes Review Board.

The proposed resolution would authorize the PUC to enter into hold harmless agreements with members of the Disputes Review Board. Such hold harmless agreement would relieve the members of the Disputes Review Board of any financial responsibility for any activities conducted or recommendations made in this capacity as appointed members of the Disputes Review Board.

**Comment:** Mr. Keith Grand, the City's Risk Manager, cannot identify any risks associated with the proposed resolution, because the decisions of the Disputes Review Board are non-binding.

**Recommendation:** Approval of the proposed resolution is a policy matter for the Board of Supervisors.



Item 13 - File 97-94-2

**Department** Department of Public Works

**Item:** Ordinance amending the San Francisco Administrative Code by amending Section 6.1-2 thereof, relating to time for award of contracts for Federal and State grant and loan funded projects.

**Description:** In 1975, Administrative Code Section 6.1-2 was added to the San Francisco Administrative Code to exempt the Director of Public Works from the time limitations required for the award of contracts funded in whole, or in part, with Federal and State grant monies. Section 6.1-2 eliminated the need for the Director of Public Works to obtain a separate approval for awarding contracts from the Board of Supervisors each time the 30-day time period for contract awards, provided for under Section 6.1, was exceeded.

According to Mr. Robert Carlson of the DPW, at the time Section 6.1-2 was first approved, Federal and State funding was almost exclusively provided through grant funds. Presently however, both Federal and State agencies also provide local funding assistance through the use of loans. Since the Federal and State agencies approving loan funds are often the same agencies that previously approved grant funds, Section 6.1-2 under the proposed ordinance, would apply to loan funds as well as to grant funds. Thus, the proposed ordinance would result in exempting the Director of Public Works from time limitations in the award of contracts funded from State or Federal loan funds, as is the case for State and Federal grant funds.

**Comments:** 1. Mr. Carlson advises that the proposed ordinance will have no fiscal implications for the DPW.

2. Mr. David Norman of the City Attorney's Office advises that the proposed ordinance is the result of a situation where a contractor attempted to back out of a contract with DPW, funded with State loan funds, claiming that the contract was invalid because it was awarded (without Board of Supervisors approval) more than 30 days after the opening of bids. The proposed ordinance would clarify that the Director of Public Works does not need to obtain separate approval from the Board of Supervisors each time the 30-day time period is exceeded for awarding contracts funded with State or Federal grant funds and State or Federal loan funds, according to Mr. Norman.

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Memo to Government Efficiency and Labor Committee  
February 15, 1994 Government Efficiency and Labor Committee Meeting

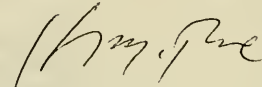
**Recommendation:** Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Item 14 - File 97-94-7

- Department:** Department of Social Services (DSS)
- Item:** Ordinance amending the San Francisco Administrative Code by adding Section 1.45 thereto, authorizing the Department of Social Services to enter into hold harmless agreements with the Regents of the University of California for providing services under agreements with the Department of Social Services.
- Description:** Currently, the Department of Social Services (DSS) has ongoing contracts with the Regents of the University of California, whereby the Regents of the University of California provide services for the City, including in-home support services for DSS clients and training of DSS staff. The proposed ordinance would authorize the Department of Social Services to enter into mutual hold harmless agreements with the Regents of the University of California for the provision of these services. Under these agreements the Regents would hold the City and its employees harmless from liability for injuries or damages which result from negligence of employees of the Regents. Additionally, the City would hold the Regents and its employees harmless from liability for injuries or damages which result from the negligence of employees of the City of San Francisco.
- Comment:** According to Ms. Paula Jesson of the City Attorney's Office, the proposed ordinance is based on the current hold harmless arrangement between the Department of Public Health and the Regents of the University of California. Ms. Jesson further advises that it is common for mutual hold harmless agreements to be included as part of contracts between a governmental agency and another public agency.

Memo to Government Efficiency and Labor Committee  
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**Recommendation:** Approval of the proposed ordinance is a policy matter for the Board of Supervisors.



Harvey M. Rose

cc: Supervisor Hallinan  
Supervisor Kaufman  
Supervisor Migden  
President Alioto  
Supervisor Bierman  
Supervisor Conroy  
Supervisor Hsieh  
Supervisor Kennedy  
Supervisor Leal  
Supervisor Maher  
Supervisor Shelley  
Clerk of the Board  
Chief Administrative Officer  
Controller  
Teresa Serata  
Robert Oakes  
Ted Lakey



CALENDAR

DOCUMENTS DEPT.

FEB 28 1994

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GOVERNMENT EFFICIENCY & LABOR COMMITTEE

BOARD OF SUPERVISORS

CITY AND COUNTY OF SAN FRANCISCO

REGULAR MEETING

TUESDAY, MARCH 1, 1994

2:00 PM

ROOM 228, City Hall

MEMBERS: Supervisors Terence Hallinan, Barbara Kaufman, Carole Migden

CLERK: Joni Blanchard

\* \* \* \* \*

## Disability Access

The Board of Supervisors Committee Meeting Room (228) and the Legislative Chamber of the Board are on the second floor of City Hall.



Both the Committee Room and the Chamber are wheelchair accessible. The closest accessible BART Station is Civic Center, 2 1/2 blocks from City Hall. Accessible MUNI line serving this location is the #42 Downtown Loop as well as the METRO stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services, call 923-6142.



There is accessible parking in the vicinity of City Hall adjacent to Davies Hall and the War Memorial Complex.



Assistive listening devices are available for use in the Meeting Room and the Board Chamber. A device can be borrowed prior to or during a meeting. Borrower identification is required and must be held by Room 235 staff.

The following services are available on request 72 hours prior to the meeting or hearing:

For American sign language interpreters or the use of a reader during a meeting, contact Violeta Mosuela at (415) 554-7704.

For a large print copy of an agenda, contact Moe Vazquez at (415) 554-4909.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

## CONSENT CALENDAR

1. All matters listed hereunder constitute a Consent Calendar, are considered to be routine, and will be acted upon by a single roll call vote. There will be no separate discussion of these items unless a member of the Committee or the public so requests, in which event the matter shall be removed and considered as a separate item:
  - a. File 89-94-8. [State Disability Insurance] Resolution authorizing enrollment of Classification 1163, Executive Assistant to the Director of Health, in the State Disability Insurance Program. (Employee Relations Division)
  - b. File 30-94-7. [State Agreement] Resolution authorizing the Department of Public Health, Community Substance Abuse Services, to enter into a cooperative agreement with the State of California, Department of Vocational Rehabilitation retroactive to July 1, 1993, in the amount of \$44,235, to provide vocational rehabilitation services to residents of San Francisco who are currently receiving or require substance abuse treatment services; authorizing and directing the President of the Board to certify said agreement which shall include an indemnification of the State of California. (Department of Public Health)
  - c. File 61-94-1. [Contract Award Extension] Resolution granting extension of time for awarding Water Department Contract No. WD-2147R, San Francisco Water Department Fire Protection System. (Public Utilities Commission)
  - d. File 94-94-1. [1994-95 State Grant for 6 Muni Railway Projects] Resolution authorizing the Public Utilities Commission to apply for, accept, and expend \$3,903,020 from 1994-95 State Transit Capital Improvement funds and an equal amount of local matching funds to provide financing for six Municipal Railway projects. (Public Utilities Commission)  
(Chair may entertain a motion to continue this item)  
(Consideration continued from 2/15/94)
  - e. File 47-93-11.1. [Award of Management Agreement] Resolution confirming award of the management agreement for the 1660 Mission Street parking facility. (Real Estate Department)
  - f. File 86-94-1. [S.F. County Fair Flower Show] Resolution approving the 1994 budget for the San Francisco County Fair Flower Show. (Recreation/Park Department)
  - g. File 172-94-5. [1993-94 State Child Care Development Contract] Resolution authorizing the execution of an agreement between San Francisco and the State of California Department of Education in the amount of \$124,761 for participation by the City and County in the State's Child Care Development Program for FY 1993-94. (Department of Social Services)  
(Consideration continued from 2/15/94)
  - h. File 144-93-1.2. [Release of Reserved funds] Consideration of request to release reserved funds in the amount of \$593,255, Port, for architectural and engineering services for Pier 1/2 North Ferry Terminal Upgrade. (Port of San Francisco)

ACTION:

2. File 97-93-37. [Board to Govern the Redevelopment Agency] Ordinance amending Chapter 24 of the San Francisco Administrative Code by repealing current Sections 24.1, 24.1-1, and 24.4, which established a Redevelopment Agency, the number of its members, and their compensation; adding a new Section 24.1, declaring the Board of Supervisors to be the Redevelopment Agency for the City and County of San Francisco; adopting findings; and setting an effective date of July 1, 1994. (Supervisor Hallinan)  
(Consideration continued from 2/15/94)

ACTION:

3. File 97-93-66. [Communications Regulatory Commission] Ordinance amending Administrative Code by adding Chapter 22C to create a Communications Regulatory Commission and repealing Sections 11.40, 11.41, 11.42, 11.43, and 11.44 concerning the Telecommunications Policy Committee. (Supervisor Bierman) FISCAL IMPACT  
(Consideration continued from 2/15/94)

ACTION:

4. File 106-94-1. [Staff Report and Salary and Wage Survey Booklet] Hearing to consider the Department of Human Resource's Staff Report for Salary Standardization, Fiscal Year 1994-95, dated January 28, 1994, and the Salary and Wage Survey Preliminary Booklet dated January 3, 1994, with proposed benchmark of compensation adjustments approved by the Civil Service Commission for classifications subject to the provisions of Charter Sections 8.400, 8.401 and 8.407. (Supervisor Conroy)

ACTION:

5. File 156-94-1. [Private Industry Council] Resolution urging the Mayor to appoint two additional members to the Private Industry Council, San Francisco, one each representing a homeless advocacy organization and one veterans' organization, with recommendations to be received from the Coalition on Homelessness. (Supervisor Hallinan)

ACTION:

6. File 172-94-7. [Hold Harmless Provision] Resolution approving a hold harmless provision for the Very Small Quantity Generator Hazardous Waste Pilot Collection Program jointly operated by Sanitary Fill Company and the Chief Administrative Officer. (Supervisor Hallinan)

ACTION:

7. File 93-94-3. [Memorandum of Understanding] Resolution ratifying amendment to Memorandum of Understanding with SEIU, Local 790 for staff and per diem nurses. (Employee Relations Division)

ACTION:

8. File 93-94-4 [Memorandum of Understanding] Resolution ratifying Memorandum of Understanding with the Deputy Sheriff's Association. (Employee Relations Division)

ACTION:

9. File 93-94-5 [Memorandum of Understanding] Resolution ratifying Memorandum of Understanding with the San Francisco Probation Officers Association. (Employee Relations Division)

ACTION:

10. File 47-93-9. [Performing Arts Garage] Ordinance approving form of Performing Arts Garage Management Agreement and bidding documents and authorizing Director of Property to request bids for management of Performing Arts Garage using those documents. (Department of Parking & Traffic)  
(Consideration continued from 12/15/93)

ACTION:

11. File 172-94-3. [Affiliation Agreement] Ordinance authorizing the Director of Public Health to execute an affiliation agreement between the City and County of San Francisco and the Regents of the University of California for the provision of patient care services at San Francisco General Hospital; see Files 97-94-3 & 97-94-4. (Department of Public Health)

ACTION:

12. File 97-94-3. [University Research Space] Ordinance amending San Francisco Administrative Code by repealing Section 19.A.3, which authorizes and directs the Director of Public Health to designate space at San Francisco General Hospital in order that the University of California may conduct research projects. (Department of Public Health)

ACTION:

13. File 97-94-4. [University of California/Medical and Laboratory Services] Ordinance amending the San Francisco Administrative Code by repealing Section 19.A.11, which authorizes the Health Commission and the Purchaser to enter into an agreement with the University of California for the provision of medical and laboratory services at San Francisco General Hospital beginning July 1, 1995. (Department of Public Health)

ACTION:

14. File 112-94-1. [Official Newspaper-Balance Fiscal Year 93/94] Resolution designating the San Francisco Examiner to be the official newspaper of the City and County of San Francisco, commencing April 1, 1994, and ending June 30, 1994, for all official advertising of the City and County, which is required by law to be published one time but not more than three times weekly. (Purchasing Department)

ACTION:

15. File 112-94-1.1. [Official Newspaper-Fiscal Year 94/95] Resolution designating the San Francisco Examiner to be the official newspaper of the City and County of San Francisco, commencing July 1, 1994, for specified categories of official advertising. (Purchasing Department)

ACTION:



16. File 82-94-2. [Grant of Easement] Ordinance authorizing the grant of an easement to Pacific Bell over City-owned property in the City of Modesto for installation of a Community Service Cabinet - \$2,500. (Real Estate Department)

ACTION:

17. File 127-93-2.1. [New Jobs Tax Credit] Resolution amending or disapproving new jobs credit rules under Sections 906B and 1005.6 of Part III of the Municipal Code. (Tax Collector)

ACTION:

#### LITIGATION

18. File 45-94-7. [Settlement of Litigation] Ordinance authorizing settlement of litigation of Hong Fun Ma against the City and County of San Francisco by payment of \$62,500 and release of medical lien in the amount of \$10,927. (Superior Court No. 934-089) (City Attorney)  
(Consideration continued from 2/15/94)

ACTION:

19. File 45-94-8. [Settlement of Litigation] Ordinance authorizing settlement of litigation of O'Brien Mechanical against the City and County of San Francisco by payment of \$416,172.30. (Superior Court No. 947-060) (City Attorney)

ACTION:

20. File 46-94-1. [Settlement of Litigation] Ordinance authorizing settlement of Oscar Wooten v. S.F.O. Airporter, Inc., et al., upon receipt of the sum of \$1,000 and release of lien. (Superior Court No. 942-680) (City Attorney)

ACTION:

21. File 46-94-2. [Settlement of Litigation] Ordinance authorizing settlement of Ed Ellestad, et al., v. Leon Pak, et al., upon receipt of \$22,000 and dismissal of complaint. (Superior Court No. 912-477) (City Attorney)

ACTION:

22. File 49-94-1. [Settlement of Claim] Ordinance authorizing settlement of claim against Alamo Rent-A-Car, Inc., and Corlinne M. Graham with waiver of credit rights against future medical expenses and temporary disability upon receipt of the sum of \$12,500 and release of claim. (City Attorney)

ACTION:

Government Efficiency and Labor Committee  
S.F. Board of Supervisors  
City Hall, Room 235  
San Francisco, CA 94102

IMPORTANT HEARING NOTICE!



CITY AND COUNTY



OF SAN FRANCISCO

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// **BOARD OF SUPERVISORS**

MAR - 1 1994

BUDGET ANALYST

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February 25, 1994

**TO:** // Government Efficiency and Labor Committee  
**FROM:** // Budget Analyst  
**SUBJECT:** March 1, 1994 Government Efficiency and Labor Committee Meeting

Items 1a - File 89-94-8

1. The proposed resolution would authorize enrollment of classification 1163 Executive Assistant to the Director of Health, from the Department of Public Health, in the State Disability Insurance (SDI) Program. The cost of SDI coverage would be paid by the employee through normal payroll deductions. The proposed legislation would not involve significant cost to the City as the Controller's payroll/personnel system is programmed to include this deduction.

2. SDI pays disability benefits to employees who suffer a non-industrial injury or illness. SDI-eligible employees have been paying into the SDI system since July 1, 1981. Currently, the payroll deduction is 1.3 percent of the first \$31,767 of gross salary for each employee (maximum of \$412.97 annually). While SDI coverage is mandatory for all employees within bargaining units enrolled in the SDI program, it is not mandatory that employee classifications which are not represented by a bargaining unit be included in the SDI program unless a majority of employees within the classification request coverage.

3. The following classification, which is not represented by a bargaining unit, would be authorized to enroll in the State Disability Program under the proposed resolution:

<u>Position</u>	<u>Classification</u>	<u>Number of Employees</u>
Executive Assistant to the Director of Health	1163	1

Memo to Government Efficiency and Labor Committee  
March 1, 1994 Government Efficiency and Labor Committee Meeting

4. The Employee Relations Division (ERD) reports that it has received a petition requesting coverage signed by the one employee in the 1163 Executive Assistant to Director of Health classification, from the Department of Public Health.

**Recommendation**

Approve the proposed resolution.

Item 1b - File 30-94-7

**Department** Department of Public Health (DPH)  
Mental Health and Community Substance Abuse Services

**Item:** Resolution authorizing the Department of Public Health, Community Substance Abuse Services to enter into a cooperative agreement with the State of California, Department of Vocational Rehabilitation retroactive to July 1, 1993 in the amount of \$44,235 to provide vocational rehabilitation services to residents of San Francisco who are currently receiving or require substance abuse treatment services; authorizing and directing the President of the Board of Supervisors to certify said agreement which shall include an indemnification of the State of California.

**Contract Amount:** \$44,235

**Contract Period:** July 1, 1993 through June 30, 1994

**Source of Funds:** Federal Subventions through the State Department of  
Alcohol and Drug Programs \$34,088  
San Francisco Department of Public Health  
(General Fund--included in FY 1993-94 budget) 10,147  
Subtotal Contract Amount \$44,235  
  
State of California Department of Rehabilitation 163,441  
  
Total Program Cost \$207,676

**Project:** Vocational Rehabilitation Services

**Description:** The proposed resolution would authorize the DPH to enter into a continuing cooperative agreement with the California Department of Rehabilitation to provide vocational rehabilitation services to approximately 208 unduplicated DPH substance abuse clients. Under this agreement, once DPH's substance abuse clients have been successfully treated by one of the Department's contract or civil service programs, these clients are referred to the local State of California Department of Rehabilitation office. The Department of Rehabilitation counsels clients and sets up individual programs to place them into jobs or training programs as appropriate. Under the terms of this agreement, the DPH's substance abuse clients receive priority for vocational rehabilitative services.

The total FY 1993-94 project cost is \$207,676. In FY 1993-94, DPH has been allocated \$34,088 of the total project cost of

\$207,676 with Federal subvention funds through the California Department of Alcohol and Drug Programs. \$10,147 are local match fund monies provided by the General Fund from DPH's 1993-94 budget. Finally, the California Department of Rehabilitation adds a match of \$163,441 bringing the total amount of funding for these services to \$207,676.

**Program  
Budget:**

<u>Personnel</u>	<u>FTE</u>	<u>Amount</u>
Counselors	2.0	\$94,348
Fringe Benefits (@ 30.2%)		<u>28,484</u>
Subtotal Personnel	2.0	\$122,832

Operating Expenses

Materials and Supplies	\$2,760
Printing	720
Communications	2,584
Postage	1,940
Travel	4,920
Training	260
Facility Maintenance & Security	16,776
Utilities	280
Medical Consultant Contracts	2,732
Client Related Expenses (e.g. training course materials or interview clothing)	<u>34,724</u>
Subtotal Operating Expenses	\$67,696

Administrative Overhead @ 9% of  
 personnel and operating expenses 17,148

**Total Project Budget** **\$207,676**

**Comment:**

1. According to DPH, DPH has conducted site visits and written monitoring reports regarding the services provided by the California Department of Rehabilitation under the proposed agreement. DPH has consistently rated this program as meeting or exceeding the DPH's standards.

2. The proposed agreement is retroactive to July 1, 1993. According to DPH, this retroactivity is a result of delays associated with: 1) numerous end-of-year contractual modifications processed in FY 1992-93; 2) adoption of the Department's FY 1993-94 budget; and 3) Departmental priority assigned to several AIDS Office funded contracts.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

3. As noted above, the \$10,147 in the City's local match funds were included in DPH's FY 1993-94 budget.
4. The \$34,724 budgeted for Client Related Expenses would fund those expenses incurred by DPH's clients while receiving job training or job placement services. Such expenses would include tuition, books, and interview clothing.
5. The \$2,732 included for Medical Consultant Contracts would fund as needed medical consultations of DPH clients.
6. The proposed resolution includes an indemnification provision whereby the City would hold the State of California harmless while the State is providing services under the proposed agreement. According to Ms. Paula Jesson of the City Attorney's Office, this indemnification provision has been included in preceding years' agreements with the State Department of Rehabilitation. Ms. Jesson reports that the City has not incurred additional expenses as a result of this indemnification provision.

**Recommendation:** Approve the proposed resolution.





Item 1c - File 61-94-1

**Department:** Public Utilities Commission (PUC)  
San Francisco Water Department

**Item:** Resolution granting extension of time for awarding San Francisco Water Department Contract No. WD-2147R, San Francisco Water Department Fire Protection System.

**Description:** Section 6.1 of the San Francisco Administrative Code requires that the Board of Supervisors approve the extension of time to award a contract if award of the contract is not made within 30 days of the acceptance of the bid, or within an additional 30 days (for a total of 60 days) if required for implementation of affirmative action under Chapter 12B.

The proposed resolution would grant the PUC an extension of time to award San Francisco Water Department Contract No. WD-2147R. The contract work to be performed consists of furnishing and installing a sprinkler system and a fire/smoke alarm system at the City Distribution Division (located at 1990 Newcomb Street), as well as the installation of a fire/smoke alarm system at 425 Mason Street (see Comment #2).

**Comments:** 1. According to Mr. Carlos Jacobo of the PUC, a bid protest was received for the subject contract, and due to the time required to investigate and resolve the bid protest, the contract was not awarded within 60 days after the bids were received on October 18, 1993. Mr. Jacobo advises that in accordance with Chapter 12D of the San Francisco Administrative Code (concerning minority/women/local business utilization), the PUC selected the second lowest bidder, LEM Construction Inc. (a MBE firm), for award of the subject contract. A listing of the bids received is as follows:

<u>Company</u>	<u>Amount Bid</u>
Allied Fire Protection	\$278,000
LEM Construction Inc. (MBE)	\$287,173
Cresci Electric Inc. (MBE)	\$483,557

The low bidder, Allied Fire Protection, which is not an MBE or WBE firm, filed a bid protest claiming that LEM Construction Inc.'s bid was not responsive. The PUC, after consulting with the City Attorney's Office, determined that this bid protest was without merit.

2. Mr. Carlos Jacobo reports that, subject to approval of this proposed resolution, Water Contract No. WD-2147R will be awarded to LEM Construction Inc. in the amount of \$287,173, to be funded out of Water Department Revenues. Mr. Jacobo advises that the contract work is anticipated to start on April 1, 1994 and should be completed by July 31, 1994.

**Recommendation:** Approve the proposed resolution.

Memo to Government Efficiency and Labor Committee  
March 1, 1994 Government Efficiency and Labor Committee Meeting

Item 1d - File 94-94-1

**Note:** This item was continued by the Government Efficiency and Labor Committee at its meeting of February 15, 1994.

**Department:** Public Utilities Commission (PUC)  
Municipal Railway (Muni)

**Items:** Resolution authorizing the Public Utilities Commission to apply for, accept, and expend \$3,903,020 from FY 1994-95 State Transit Capital Improvement Funds, and an equal amount of local matching funds to provide financing for six Municipal Railway projects.

**Amount:** \$3,903,020

**Source of Funds:** State Transit Capital Improvement Funds

**Comment:** The Department requests that this item be continued to the Government Efficiency and Labor Committee meeting on March 15, 1994.

**Recommendation:** Continue the proposed resolution to the March 15, 1994 Government Efficiency and Labor Committee meeting.



Item 1e File 47-93-11.1

**Departments:** Department of Parking and Traffic (DPT)  
Real Estate Department

**Item:** Resolution confirming the award of the management agreement between the City and County of San Francisco and Convenient Parking for the 1660 Mission Street parking facility.

**Description:** In December of 1993, the Board of Supervisors approved legislation (File 47-93-11) authorizing the Director of Property to request bids for the management of the new 60-space 1660 Mission Street parking facility. Accordingly, the Director of Property issued an Invitation for Bids to be received and opened by the Real Estate Department on January 25, 1994. In response to the Invitation for Bids, the Department received 15 bid packages. The Department subsequently determined that nine of the 15 companies that requested bid packages met the standards to bid on the management of the parking facility. Of the nine qualified companies, seven submitted a bid. The Real Estate Department selected Convenient Parking as the lowest qualified bidder based on the company's bid to be paid a monthly fixed rate management fee of \$3,989 by the City. Convenient Parking is an MBE firm. The remaining six bidders along with their bid amounts for the monthly management fee to be charged to the City are shown below:

	<u>Bid Amount</u>
City Parking	\$4,656
J LARO	\$5,969
American Vantage	\$6,996
R&R Parking	\$7,300
Beach Parking	\$8,000
D + S Parking	\$42,000*

\* D + S Parking verbally stated, as the bid was being read, that its bid amount was intended to be \$3,500 per month. However, according to the Real Estate Department, the City Attorney advised that an oral explanation cannot be used to change a written bid and as such, D + S Parking's bid of \$42,000 stood as written.

Based on the \$3,989 management fee per month, the City would pay Convenient Parking \$47,868 annually. The term of the proposed agreement would be five years. Under the provisions of the proposed management agreement, the City reserves the right to fix and determine the parking rates and

the specific terms and conditions for operating the 1660 Mission Street parking facility. The specific parking rates charged at the parking facility are subject to approval by the Board of Supervisors.

**Comments:**

1. Under the proposed management agreement, the garage operator would deposit all of the receipts from the garage into the City's account, on a daily basis. At the end of each month, the City would pay the operator the fixed management fee. This would enable the City to receive garage revenues up front, instead of, as was the case with some past agreements, allowing the garage operators to deduct their fixed fee and pay the City the balance of the net revenues at the end of each month.

2. The DPT estimates gross revenues of approximately \$60,000 from the 1660 Mission Street parking facility annually. Under the proposed agreement, Convenient Parking would receive a fixed rate of \$47,868 annually (12 x \$3,989 per/mo.). The operator would be responsible for providing staffing and all other operating costs from this fixed management fee. Based on the estimated \$60,000 gross revenues, the City would receive \$12,000 annually in Parking Taxes, leaving a balance of \$48,000. After paying the management fee to the operator of \$47,868, the net garage revenues that would accrue to the City are estimated at \$132 annually.

3. The parking rates at the 1660 Mission Street parking facility are as follows:

<u>Hourly Parking</u>	<u>Parking Charge</u>
0 - 1 hour	\$1.00
1 - 2 hours	2.00
2 - 3 hours	4.00
3 - 4 hours	6.00
Over 4 hours	8.00

The DPT reports that the Department has no plans, at this time, to modify the above-noted existing parking rates at this parking facility.

4. The DPT advises that, as stipulated in the management agreement, 14 of the total 60 parking spaces available in the 1660 Mission Street parking facility, will be permanently reserved for City-owned vehicles. Of the 14 spaces, ten are designated for the Bureau of Building Inspection, three are designated for the Planning Department and one is designated for the Fire Department. The BBI advises that



the ten reserved spaces will be used to house cars which are utilized extensively during the course of the day by staff assigned to field inspections. According to the BBI, having access to the reserved spaces will allow for a more efficient use of staff time. Mr. Alec Bash, Deputy Assistant Director of the Planning Department advises that the three spaces which were reserved for the Planning Department's use are needed because they are extensively used during the day by field staff which provide on site inspections. According to Mr. Bash, these three cars are currently parked on the street and significant staff time is lost trying to locate parking spaces in the area and walking to and from these cars. Chief Scott Peoples of the Fire Department reports that its reserved parking space would be used for supervising personnel and line staff responsible for doing frequent on-site inspections. According to Chief Peoples, currently the two cars used for these activities are parked on the street and are not easily accessible.

5. Mr. Kevin Hagerty of the DPT advises that the Human Rights Commission's Contract Review Committee designated the 1660 Mission Street parking facility to be set aside for bidding by minorities and women only, based on the Committee's assessment of the need for increased participation in the management of City-owned parking facilities by minorities and women. According to Mr. Hagerty, the Parking and Traffic Commission endorsed the Committee's decision to designate this parking facility as a set aside for minorities and women. As such, City Parking, American Vantage, Beach Parking and D + S Parking are certified MBEs, J LARO is a certified MBE/WBE and R&R Parking was under review for certification as an MBE.

**Recommendation:** Approve the proposed resolution.



Memo to Government Efficiency and Labor Committee  
March 1, 1994 Government Efficiency and Labor Committee Meeting

Item 1f File 86-94-1

**Department:** Recreation and Park Commission

**Item:** Resolution approving the 1994 budget for the San Francisco County Fair/Flower Show.

**Description:** The Board of Supervisors previously approved an ordinance authorizing the Recreation and Park Commission to enter into an agreement, for calendar years 1994, 1995 and 1996, with the San Francisco Flower Show Inc., a non-profit organization, to conduct the San Francisco County Fair/Flower Show (File 86-93-1).

The Recreation and Park Commission has applied for funds, in the amount of \$40,000, from the State of California Department of Food and Agriculture, Division of Fairs and Exhibitions to pay for the County Fair/Flower Show. In order to receive these State funds, the City must submit a budget to the State which has the approval of the Board of Supervisors. The County Fair/Flower Show will be funded by a combination of State funds, attendance fees, concessions and revenues from a benefit preview of the Flower Show. The County Fair/Flower Show will not result in any General Fund costs to the City. The 1994 budget for the County Fair/Flower Show is as follows:

Administrative Personnel

Designer/Manager	\$8,000
Auditor	850
Office Assistant	500
Office Manager	<u>500</u>
Subtotal	\$9,850

Operating Expenses

Maintenance and General Operations	\$8,650
Publicity	8,000
Security and Ticket Takers	1,450
Premiums ( awards for flower arrangements)	9,200
Exhibits	5,800
Printing	1,800
Postage	600
Insurance	1000
Miscellaneous	<u>300</u>
Subtotal	\$36,800

Total	\$46,650*
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**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

\* Of the \$46,650, \$40,000 represents State funds and the remaining \$6,650 represents estimated operating revenues to be generated by the County Fair/Flower Show.

The proposed resolution would (1) authorize approval of the 1994 budget for the County Fair/Flower Show, (2) authorize the Recreation and Park Commission to apply for, accept and expend the State Funds, as approved in the budget and (3) authorize the Recreation and Park Commission to sign and approve the 1995 and 1996 budgets for the County Fair/Flower Show.

**Comments:**

1. The Recreation and Park Commission advises that the application for the State funds has already been submitted. As such, the proposed legislation should be amended to authorize the Recreation and Park Commission to apply for the proposed funds retroactively.

3. As noted above, the proposed legislation would authorize the Recreation and Park Commission to sign and approve the 1995 and 1996 budgets for the County Fair/Flower Show, without such budgets being submitted to the Board of Supervisors for approval. Mr. Walden Valen of the Recreation and Park Department advises that, as of the writing of this report, the detailed budgets for 1995 and 1996 have not been prepared. The Budget Analyst recommends that the authorization for the Recreation and Park Commission to sign and approve the 1995 and 1996 budgets, without future approval by the Board of Supervisors, should be deleted from the proposed legislation.

2. The County Fair/Flower Show will be held on August 26 to 28, 1994, at the County Fair Building.

**Recommendations:** 1. Amend the proposed resolution to authorize the Recreation and Park Commission to apply for the proposed funds retroactively.

2. Amend the body of the proposed legislation to delete the reference to authorizing the Recreation and Park Commission to sign and approve the 1995 and 1996 budgets, without subsequent approval from the Board of Supervisors.

3. Approve the proposed resolution, as amended.

Memo to Government Efficiency and Labor Committee  
March 1, 1994 Government Efficiency and Labor Committee Meeting

Item 1g - File 172-94-5

**Note:** This item was continued at the February 15, 1994 Government Efficiency and Labor Committee meeting.

**Department:** Department of Social Services (DSS)

**Item:** Resolution authorizing the execution of a continuation agreement between the City and County of San Francisco and the State of California Department of Education in the amount of \$124,761 for participation by the City in the State's Childcare and Development Program for fiscal year 1993-94.

**Amount:** Maximum of \$124,761

**Source of Funds:** State Department of Education

**Agreement Period:** July 1, 1993 through June 30, 1994

**Description:** The proposed resolution would authorize the continuation of an existing agreement with the State Department of Education that reimburses the DSS for paying providers of community-based childcare services, including homemaker services and respite services. The DSS is currently contracting with a total of 24 childcare providers City-wide for the provision of these services. The State's Childcare and Development Program provides community-based childcare services to low-income families at risk to enable parents to continue their employment or to continue their education.

The proposed agreement provides for an average reimbursement rate of approximately \$33 per child per day for attendance in various community-based childcare and development programs. The maximum reimbursable amount under the proposed agreement is \$124,761. Reimbursements are made on a quarterly basis from claims submitted by the DSS to the State.

**Comments:**

1. The DSS reports that the State reimburses the City for childcare provider services only. The City's costs to administer the State's Childcare and Development Program, which is approximately \$40,000 annually and is paid for by General Fund monies, are absorbed by DSS.
2. The \$124,761 State reimbursement for FY 1993-94 represents the same amount received by the City for FY 1992-93.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

3. Based on the proposed average reimbursement rate of approximately \$33 per child per day and the proposed maximum reimbursement amount of \$124,761, the City through its childcare providers would be able to provide approximately 3,781 days of childcare services.

4. As noted above, the agreement has a start-up date of July 1, 1993. As such, the proposed resolution should be amended to authorize the DSS to enter into the proposed agreement retroactively. The DSS advises that the proposed agreement is only just now being submitted to the Board of Supervisors for approval due to an administrative oversight.

**Recommendation:** Amend the proposed resolution to authorize the DSS to enter into the proposed agreement retroactively, and approve the proposed resolution as amended.



Government Efficiency and Labor Committee  
March 1, 1994 Government Efficiency and Labor Committee Meeting

Item 1h - File 144-93-1.2

**Department:** Port

**Item:** Release of reserved funds for the North Ferry Terminal Upgrade Project at Pier 1/2.

**Amount:** \$480,000

**Source of Funds:** Federal Highway Administration Funds

**Description:** The Board of Supervisors previously approved legislation authorizing the Port to accept and expend \$480,000 in Federal grant funds for Phase I and Phase II architectural and engineering work for the North Ferry Terminal Upgrade Project at Pier 1/2. At the same time, the Board placed the entire \$480,000 on reserve pending selection of contractors, determination of the MBE/WBE status of the contractors and contract cost details.

The Port reports that, through their Request for Proposals (RFP) process, the Port has selected ROMA Design Group as the lead consultant to provide the necessary architectural and engineering services, in the amount of \$593,255. ROMA Design Group was selected because it was the most qualified firm based on the criteria established in the RFP. ROMA Design Group will subcontract with 13 other firms to provide the necessary services. The Port advises that ROMA Design Group, which is not an MBE or WBE firm, was one of nine firms which submitted bids in response to the Port's RFP. The nine firms, along with bid related information, are listed below:

<u>Bidder</u>	<u>Percentage of Disadvantaged Business Enterprise (DBE) Participation</u>	<u>Bid Amount</u>	<u>Range of Hourly Rates</u>
Gordon Chong & Associates	24.3	\$181,964*	\$30 - \$140
TSANG Architecture Hertzka Knowles Architects	54.6	\$453,694**	\$30- \$135
ROMA Design Group	66	\$586,284	\$30- \$145
Fisher, Friedman Associates	30	\$593,255	\$30 - \$195
De Brer-Kwan Henmi Associated Architects	29	\$622,500	Not Provided
	54	\$657,687	\$24 - \$140

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Government Efficiency and Labor Committee  
March 1, 1994 Government Efficiency and Labor Committee Meeting

<u>Bidder</u>	Percentage of Disadvantaged Business Enterprise (DBE) <u>Participation</u>	<u>Bid</u> <u>Amount</u>	<u>Range of</u> <u>Hourly</u> <u>Rates</u>
Heller & Leake			
Architects	39	\$674,556	\$30 - \$165
Stevens & Associates	58.5	\$675,000	\$35 - \$150
Group 4/Architecture	54.54	\$692,774	\$30 - \$105

\* The Port advises that the firm of Gordon Chong & Associates did not include the cost of Phase II design work in its bid. As noted-above, the scope of work for this project is divided into two phases.

\*\* According to the Port, TSANG Architecture's bid amount was incomplete because it did not include the cost for the required Environmental Engineering services.

Of the nine bidders noted-above, Gordon Chong & Associates is a registered MBE, TSANG Architecture is a certified MBE, Kwan Henmi of De Brer-Kwan Henmi, is a certified MBE/WBE, Stevens & Associates is a certified MBE and Group 4/Architecture is a registered MBE. The remaining firms are neither MBEs or WBEs.

Comments:

1. The Port reports that the proposed release of reserved funds in the amount of \$480,000 would be used to pay for a portion of the \$593,255 contract services with ROMA Design Services. According to the Port, the remaining balance of \$113,255 (\$593,255 minus \$480,000) would be paid for by previously allocated 1990 Clean Air and Transportation Bond funds. The Attachment shows ROMA Design Group, each of its selected subcontractors, the role of each subcontractor in the project, MBE/WBE status, and hourly rates.

2. Ms. Veronica Sanchez of the Port advises that although ROMA Design Group did not submit the lowest bid for the work to be performed on the project, the firm was selected because it was the most qualified based on the criteria established in the RFP. The bidders were evaluated on the basis of written responses and an oral review conducted before a panel wherein the bidders outlined their qualifications to perform the scope of work as described in the RFP.

**Recommendation:** Approve the release of the reserved funds in the amount of \$480,000

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Pier 1/2, North Ferry Terminal Up-grade  
Professional Design Services

<u>Team Member</u>	<u>Role in Project</u>	<u>MBE/WBE</u>	<u>Hourly Rates</u>
ROMA Design Group	Project Management, Architecture	NO	\$55 - \$140
Treadwell & Rollo Engineers	Geotechnical	MBE	\$40 - \$135
Greg Roja & Associates	Architectural Production	MBE	\$45 - \$100
Moffatt & Nichol Engineers	Coastal & Strucutral Engineering	NO	\$46 - \$140
Don Todd Associates	Cost Estimating	MBE	\$80
Debra Nichols Design	Graphics & Signage	WBE	\$60 - \$120
Kinnetics Laboratories	Environmental	MBE	\$39 - \$135
Morris Guralnick Associates	Naval Architecture	NO	\$28 - \$81
Philip Habib & Associates	Ferry Terminal Planning	NO	\$45 - 90
Korve Engineering	Transportation Engineering	NO	\$65 - \$140
Nelson/Nygaard Associates	Transportation	WBE	\$30 - \$80
PWWJ & Partners	Open Space Design	NO	\$195
Deakin Harvey Skabardonis	Ferry Patronage Forecasting	MBE	\$90
Accessible Environments,	Accessibility	NO	\$85 - 100
<b>TOTAL</b>			<b>\$30 - 195</b>

Original Proposal	\$593,255
Total Hours	6710
Average Rate Per Hour	\$88.41
MBE/WBE Percentage	30%



Item 2 - File 97-93-37

**Note:** This item was continued at the February 15, 1994 Government Efficiency and Labor Committee meeting.

**Department:** San Francisco Redevelopment Agency (SFRA)

**Item:** Ordinance amending Chapter 24 of the San Francisco Administrative Code by repealing current Sections 24.1, 24.1-1 and 24.4, which established a Redevelopment Agency, the number of its members, and their compensation; adding a new Section 24.1, declaring the Board of Supervisors to be the Redevelopment Agency for the City and County of San Francisco; adopting findings; and setting an effective date of July 1, 1994.

**Description:** The proposed ordinance would add a new Section 24.1 to the City's Administrative Code which would state that pursuant to Section 33200 of the California Health and Safety Code, the Board of Supervisors declares itself to be the Redevelopment Agency for the City and County of San Francisco. All rights, powers, duties, privileges and immunities provided under the Community Redevelopment Law of 1964, as amended, shall be vested in the Board of Supervisors. The proposed ordinance would become effective as of July 1, 1994.

The proposed ordinance would also repeal Sections 24.1, 24.1-1 and 24.4 of the City's Administrative Code. Section 24.1 creates the existing Redevelopment Agency under State Law provisions. Section 24.1-1 increases the number of Redevelopment Agency members to seven, and requires that at least one member be a woman. Section 24.4 states that subject to the budget and fiscal provisions of the City's Charter, the Redevelopment Agency members will be compensated \$25 per meeting attended, exclusive of actual and necessary expenses, including travel expenses, provided that the total amount paid to any one member does not exceed \$1,250 per year and that the total amount paid to all members does not exceed \$6,250 per year.

The proposed ordinance also references a management audit report on the Redevelopment Agency that was prepared by the Budget Analyst's Office in January, 1992 to substantiate the finding that establishing the Board of Supervisors as the Redevelopment Agency will serve the public interest and promote the public safety and welfare in a more effective manner than the current organization. A copy of this report is in the file.

**Comments:**

1. Although the Budget Analyst made no recommendations with respect to the Board of Supervisors becoming the Redevelopment Agency, as that is a policy decision for the Board of Supervisors to make, in his January, 1992 management audit report on the SFRA, the Budget Analyst included a survey of Redevelopment Agencies operating in California. The Budget Analyst found that over 96 percent of the approximately 350 redevelopment agencies in the State have the city council serving as the redevelopment agency without the establishment of a separate agency commission.

2. Among the ten largest cities in California, the city council serves as the redevelopment agency in eight cities and only in Los Angeles and Long Beach (in addition to San Francisco) have independent agency commissions been established. The majority of the largest cities also have the agency operating as a city department.

3. In addition, this management audit included numerous recommendations to strengthen the overall efficiency and effectiveness of the SFRA's management and operations, including specific recommendations which could result in net estimated reduced expenditures of \$350,000 annually. Estimated one-time costs were projected to be no more than \$155,000.

4. A summary of the major management audit findings is as follows:

- Agency Budgetary Procedures: Subsequent to obtaining approval of its annual budget from the Board of Supervisors, the Redevelopment Agency changes its budget allocations during the course of the year. In some instances, these changes are in violation of State Health and Safety Code Section 33606 which requires the Board of Supervisors to approve amendments to the Agency's budget. In addition, the Agency does not submit required quarterly reports of all expenditures and revenues to the Board of Supervisors. Consequently, the Agency lacks outside accountability and the Board of Supervisors is unaware of changes in the Agency's budgetary priorities.

- Agency Information: In violation of State Health and Safety Code Section 33080.1, the Redevelopment Agency does not submit an annual report to the Board of Supervisors. Furthermore, the Board of Supervisors receives limited information describing Agency activities.



As a result, it is difficult for the Board of Supervisors to have a clear understanding of Agency operations.

- Project Management: The Redevelopment Agency has no formal procedures for evaluating actual project accomplishments and costs against stated goals and projected costs. Consequently, the Agency has inadequate controls to ensure that projects are completed on time and within budget. For example, Western Addition A-2 and Yerba Buena Center Project costs are 39 percent and 108 percent respectively over the original budgeted amounts.

- Economic Development: The Agency's Economic Development Program has not been designed nor implemented in a cohesive manner. Significant monies have been allocated prior to a comprehensive needs assessment without using a competitive, request-for-proposals (RFP) process. As a result, the Agency has not ensured that Economic Development funds have been allocated as efficiently as possible.

- Agency Staff and Compensation: The Agency's salary structure results in approximately 12 percent of the Agency staff receiving compensation in excess of \$70,000 annually, twice the average of seven similar City departments. The percentage of Agency clerical staff and secretarial staff to total staff is approximately 72 percent greater than the size of clerical and secretarial staff for similar City departments.

Overall, the Budget Analyst found that the San Francisco Redevelopment Agency needs to increase its accountability to the Board of Supervisors in order for the Board of Supervisors to fulfill its State mandated oversight responsibilities.

**Recommendation:** Approval of the proposed ordinance is a policy matter for the Board of Supervisors.



Item 3 - File 97-93-66

**Note:** This item was continued at the February 15, 1994 Government Efficiency and Labor Committee meeting.

1. This item is an ordinance to amend the City's Administrative Code by adding Chapter 22C to create a Communications Regulatory Commission and repealing Sections 11.40, 11.41, 11.42, 11.43, and 11.44 concerning the Telecommunications Policy Committee.

2. In the Fall of 1992, to foster competition in the cable television industry and to ensure that cable rates are reasonable, Congress passed the Cable Television Consumer Protection and Competition Act of 1992 (Cable Act). The purpose of the Cable Act is to authorize the Federal Communications Commission (FCC) and local authorities to regulate basic cable television services, thereby establishing appropriate price benchmarks and reducing entry barriers for new cable television companies. In the Spring of 1993, the FCC released regulations detailing the implementation of the Cable Act with regard to rates and related regulatory issues. The FCC has followed these regulations with several revisions and clarifications and has stated that there will be continuing proceedings on this subject.

3. In accordance with requirements of the Cable Act, in July of 1993, the City and County of San Francisco, submitted a certification application to the FCC, and is now eligible to regulate the lowest level of cable television service, basic cable. Higher levels will be regulated by the FCC. In San Francisco, cable television services are provided by Viacom Cablevision, Inc. (Viacom). Viacom calls its basic cable television services Limited Cable, which includes commercial network broadcasters, access channels, C-SPAN, and other channels. Viacom currently charges \$13.28 per month for Limited Cable services.

The City must regulate Viacom Cable in accordance with certain complex preset benchmark formulas determined by the FCC, which has established these formulas based on the operating cost per channel. If a cable company submits a rate schedule based on the FCC's benchmark formula and calculations, the City may not prescribe a rate any lower than that permitted in the benchmark rate tables. Installation rates, equipment charges, and additional outlet fees may also be regulated by the City according to preset formulas based on Viacom's costs for providing these services.

4. The proposed ordinance would establish a local Communications Regulatory Commission (the Commission) to regulate the use of property owned by the City and County of San Francisco by communication entities by supervising the granting of permits or franchises to those entities. Such entities would include cable companies and telephone companies. In addition, in accordance with the Cable Act, the proposed Commission would regulate cable television basic service rates, equipment and customer services. As previously stated, the FCC is responsible for regulating all other, higher level rates for cable television service.

The proposed Commission would consist of nine members, one member would be appointed by the Mayor and eight members would be appointed by the Board of Supervisors. Eight members of the proposed Commission would consist of: one licensed broadcast engineer with expertise in telecommunication; one Certified Public Accountant; one attorney; one consumer representative; one educator; one labor representative; and two members representing the public interest. The proposed ordinance does not include any requirement for specific qualifications of the ninth Commission member. Organizationally, the Commission would be under the Board of Supervisors.

5. Members of the proposed Commission would not be compensated nor would they receive reimbursement for expenses.

6. The proposed ordinance would repeal Sections 11.40 through 11.44 of the City's Administrative Code that established the Citizen's Telecommunications Policy Committee (CTPC). The CTPC was established in 1980 to consider cable television issues, to review the cable services provided by the cable television franchisee and to recommend changes in the franchise agreement. Organizationally, the CTPC is under the Board of Supervisors. The proposed Communications Regulatory Commission would effectively replace the CTPC.

7. The proposed ordinance would also establish a special fund entitled the Communications Regulatory Commission Fund which would be a depository for Purveyor Fees, or a portion of the City's Franchise Fees. In addition to establishing a special fund, the proposed ordinance would appropriate \$200,000 annually from the Franchise Fee revenues to this special fund for the purposes of paying staff and other expenses incurred by the proposed Commission. According to the proposed ordinance, the Board of Supervisors would appropriate a minimum of \$200,000 each year to the Communications Regulatory Commission Fund.

8. The proposed ordinance designates an Executive Director as a paid staff person to the Communications Regulatory Commission to serve as the liaison between the cable television operators (Viacom and any other franchisees that the City may authorize) and the various City departments, to supervise other paid staff to the Commission and to assist the proposed Commission in the performance of its duties. The proposed ordinance does not specify the number or duties of other paid staff (other than the Executive Director) to the Commission.

### Comments

1. In compliance with Viacom's franchise agreement with the City, Viacom pays a franchise fee of five percent of its gross receipts to the City, amounting to approximately \$3.2 million annually. 96 percent of the Franchise Fee revenue is deposited into the City's General Fund and the remaining four percent is deposited into the City's Cable Television Access and Development Fund for public, educational and municipal access activities. According to Mr. John Madden of the Controller's Office, because 96 percent of the Franchise Fee revenue is deposited into the General Fund, appropriations of Franchise Fee revenues to the proposed

Communications Regulatory Commission Fund would reduce the General Fund by a commensurate amount.

2. As previously stated, the proposed ordinance would appropriate \$200,000 from the Franchise Fee revenues to the proposed Communication Regulatory Commission Fund. According to Mr. Madden, the appropriation of \$200,000 to the proposed Communication Regulatory Commission Fund would require a separate supplemental appropriation ordinance. Such an appropriation ordinance should be drafted by the Clerk of the Board of Supervisors and submitted to the Mayor's Office for approval and to the Controller's Office for certification of the availability of funds. Thus, the proposed ordinance should be amended to delete lines 22 through 24, in Section 22c.4, subsection (b), "The Board of Supervisors hereby appropriates \$200,000 to the Communications Regulatory Commission Fund." The title of subsection (b) should also be amended to read "Sources and Uses of Monies", instead of "Source and Appropriation of Monies."

3. In addition, the Civil Service Commission should be requested to establish an Executive Director position for the proposed Commission before the Board of Supervisors appropriates monies to fund this position. A separate ordinance to amend the Annual Salary Ordinance would be necessary to create the new Executive Director position.

4. As of the writing of this report, a budget for expenditure of the \$200,000 for operating costs of the proposed Communications Regulatory Commission has not been finalized.

5. The author of the proposed ordinance requests that the proposed ordinance be continued until the March 15, 1994 Government, Efficiency and Labor Committee meeting.

### **Recommendations**

1. Continue the proposed ordinance until the March 15, 1994 Government, Efficiency and Labor Committee meeting as requested by the author of the proposed ordinance.

2. Approval of the proposed ordinance is a policy matter for the Board of Supervisors. If the Board of Supervisors approves the proposed ordinance, amend the proposed ordinance as detailed in Comment 2, above, to delete lines 22 through 24, in Section 22c.4, subsection (b), "The Board of Supervisors hereby appropriates \$200,000 to the Communications Regulatory Commission Fund." The title of subsection (b) should also be amended to read "Sources and Uses of Monies", instead of "Source and Appropriation of Monies."





Item 4 - File 106-94-1

**Department:** Human Resources

**Item:** Hearing to consider 1) Human Resources Department (HRD) Pay Equity Report for Fiscal Year 1994-95, which the HRD Director approved on January 28, 1994 and 2) Human Resources Department Staff Report on Preliminary Salary Recommendations for Fiscal Year 1994-95, with the Salary and Wage Survey Preliminary Book containing proposed benchmark compensation adjustments for classifications subject to the provisions of Charter Sections 8.400, 8.401 and 8.407, approved by the Civil Service Commission at its meeting of January 3, 1994.

**Description:** Pay Equity Report

According to Charter Section 8.407-1, the HRD is required to prepare an annual update of a pay equity survey originally conducted in 1987 that compares salaries for City classifications disproportionately staffed by minorities and women, and City classifications not disproportionately occupied by minorities and women. Charter Section 8.407-1 states that, in making adjustments to the basic rates of pay recommended by the Civil Service Commission in its Salary Standardization Survey, the Board of Supervisors may not exceed the pay equity differentials identified by the HRD in this survey.

The HRD Director approved the pay equity survey on January 28, 1994, and it was subsequently transmitted, as required by Charter, to the Board of Supervisors before February 1.

**Comments:** 1. Although the Charter uses the word "survey" to describe the Pay Equity Report, the HRD, in conformance with guidelines established by the Mayor's Office, does not conduct original research but rather relies on information gathered by Santa Clara County, the City of Concord, the Sacramento Unified School District and the State of Washington. The Pay Equity Report consists of the following:

a. An update, with new salary data of relevant survey data used to identify pay equity differentials, based on point evaluation pay equity studies conducted in Santa Clara County, the City of Concord, the Sacramento Unified School District and the State of Washington.

b. Appendices of the City's work force composition as of June 30, 1992, including the percentage of women and minority representation by class, including overall minority and female

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representation, as well as a breakdown by particular ethnic and racial groups.

c. An updated publication of the pay equity differential booklet.

2. The Charter requires a pay equity study only for classes covered by Section 8.407. Classes represented by employee organizations that elect to determine wages through collective bargaining pursuant to Charter Section 8.09 are removed from coverage under Section 8.407. Two major employee organizations, the Service Employees International Union (SEIU), Locals 790, 250 and 535, and the International Federation of Professional and Technical Engineers (IFPTE), Local 21, elected, starting in FY 1993-94, to opt into collective bargaining. Data for classes represented by these employee organizations was included in the FY 1993-94 pay equity study because the study was already completed at the time the organizations exercised their option to determine wages through collective bargaining.

The number of classes included in the FY 1994-95 pay equity study is greatly reduced this year from prior years, because many of the classes staffed disproportionately by minorities and women are represented by the SEIU or the IFPTE. Staff of the HRD has identified only 13 classifications, with approximately 196 budgeted positions, that are disproportionately occupied by minorities and women, and are currently covered by Charter Section 8.407. In FY 1993-94 the pay equity study covered approximately 440 classes and 9,180 employees.

3. The Pay Equity Report will primarily be used by the Employee Relations Division of the HRD as one basis for negotiating pay equity agreements with the employee organizations that represent the classes covered by the Report. The Report will also be used by the Mayor in determining pay equity adjustments for affected classes that are not represented by employee organizations.

4. Mr. John Madden, Chief Deputy Controller, advises that an estimate is not currently available of the total costs that would be incurred if the pay equity adjustments as indicated in the Pay Equity Report were fully implemented.

5. This Pay Equity Report has been transmitted to the Board of Supervisors every year for the past eight years. Since the Report is to be used for informational and for administrative purposes only, and does not draw any conclusions, the transmittal of this Pay Equity Report requires no action on the part of the Board of Supervisors.

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**Description:**      **Preliminary Salary Standardization Report**

Charter Section 8.401 established the general guidelines for the Civil Service Salary Standardization procedure. This Section provides that miscellaneous employees be paid "...in accord with the generally prevailing rates of wages for like service and working conditions in private employment or in other comparable governmental organizations in this state." Section 8.407 provides a set procedure and a mathematical formula by which wages for employees covered by Section 8.401 will be set. The procedure requires that data on wages paid for comparable employment be collected from six Bay Area counties (Marin, San Francisco, San Mateo, Santa Clara, Alameda and Contra Costa), from the ten most populous cities in those counties, from other public jurisdictions in the Bay Area (including the State and Federal governments), and from the private sector. Should Civil Service staff determine that insufficient data exist, out-of-Bay Area data may be acquired, provided that the jurisdiction surveyed employs 3,000 or more persons.

The wage and salary survey is based on "benchmark" classes which are considered to be key classes within occupational groupings. There are currently 19 benchmarks. Survey data are collected for positions judged comparable to the benchmark classes in other jurisdictions and in the private sector. If the prevailing wage rate, as determined by the survey, is above the wage paid by the City, a wage increase for the affected class is warranted; if the prevailing wage is below that paid by the City, no wage increase is warranted. In general, if the wages of a benchmark class are recommended for an increase, all classes tied to that benchmark will be recommended for a corresponding increase. Similarly, if the wages of a benchmark class are not recommended for an increase, none of the classes tied to the benchmark class will be recommended for a wage increase.

**Comments:**      1. Mr. Patrick Finney of the Department of Human Resources states that the Preliminary Salary Recommendations Report, that is the subject of this hearing, contains data from surveys conducted for FY 1993-94, and does not reflect surveyed salary changes for FY 1994-95. Mr. Finney reports that, as of the writing of this report, the HRD is in the process of analyzing current data from public agencies, and expects to receive private industry data by the first week of March, 1994. Mr. Finney advises that the HRD expects to submit the Final Salary Recommendations to the Civil Service Commission for their adoption on Monday, March 7, 1994. The HRD expects to forward the Salary Standardization Ordinance to the Board of Supervisors following the March 7, 1994 meeting of the Civil Service Commission.

2. The number of benchmarks included in the Preliminary Salary Recommendations Report has declined from 53 in FY 1993-94 to 19 in FY 1994-95, because salaries for many more classes are now determined by collective bargaining pursuant to Charter Section 8.09. Mr. Finney reports that the salaries of a total of approximately 5,911 employees will be determined through the annual Salary Standardization survey under Charter Section 8.401 for FY 1994-95, compared to 22,200 employees in FY 1993-94.

3. The Preliminary Salary Recommendations Report states that FY 1993-94 salaries shown for City of San Francisco benchmark classes are the rates currently paid (not including pay equity), and are not the rates approved for FY 1993-94 by the Civil Service Commission in March, 1993. Those rates were vetoed by the Mayor.

4. Mr. Madden states that he will estimate the increase for salaries in classifications not subject to collective bargaining, and the resulting increase in cost for FY 1994-95, when the updated Final Salary Recommendations Report is available. Mr. Madden notes that the increase will reflect two years rather than one, because the recommended salary increases for FY 1993-94 were not implemented.

5. Mr. Madden stated that, based on the data presented in this Preliminary Salary Recommendations Report, the average salary increase for miscellaneous employees covered under Charter Section 8.401 would be approximately 2.5 percent. Mr. Madden advises that the total cost of implementing the salary increases identified in this report would be approximately \$9 million, of which \$6.6 million would be General Fund expenses. However, Mr. Madden states that the final survey results are expected to increase this amount by an as yet undetermined amount.

6. Mr. Finney advises that the HRD will submit a separate Salary Standardization Ordinance or Memorandum of Understanding (MOU) to the Board of Supervisors to cover salaries established through collective bargaining. Mr. Finney anticipates that this ordinance or MOU will be sent to the Board of Supervisors by April 1, 1994.



Item 5 - File 156-94-1

**Revised**

**Item:**

Resolution urging the Mayor to appoint two additional members to the Private Industry Council, including one member representing a homeless advocacy organization and one member representing a veteran's organization. The Coalition on Homelessness would provide the Mayor with potential candidates for the two additional members.

**Description:**

The Federal Job Training Partnership Act of 1982 (FJTPA) authorized the formation of private industry councils nationwide to distribute employment training monies. The purpose of the Private Industry Council (PIC) is to promote and foster employment opportunities for the unemployed, the underemployed and other economically disadvantaged persons. PIC is currently composed of 29 members who are appointed by the Mayor based on nominations made by the Chamber of Commerce and educational, labor and other public sector organizations. The FJTPA designates that PIC members are also to be representatives from these groups.

The proposed resolution would urge the Mayor to increase PIC's membership by two, from 29 to 31 members. One member would represent a homeless advocacy organization and the other would represent a veteran's organization. The Coalition on Homelessness would provide the Mayor with recommendations for both of the proposed new members.

**Comments:**

1. In 1985, based on the California Attorney General's opinion, the City Attorney issued an opinion that the Mayor may not appoint to San Francisco's PIC persons from constituency groups other than those designated in the FJTPA. The City Attorney's opinion also noted that the FJTPA empowers the PIC itself to determine the number of its members.

2. According to Mr. Joe Wilson of the Coalition on Homelessness, the FJTPA does not prevent other organizations from being represented on PIC. Mr. Wilson advises that the FJTPA only identifies those organizations that should have representatives on PIC. Further, according to Mr. Wilson, the State Job Coordinating Council states that the FJTPA only requires that a majority of the PIC be members of private industry.

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3. According to Mr. Randy Riddle of the City Attorney's Office, the FJTPA does prevent organizations from being represented on PIC. However, Mr. Riddle advises that if a veterans organization provides vocational rehabilitation services, then that organization could be represented on PIC under the FJTPA category Vocational Rehabilitation Agency. Similarly, if a homeless advocacy organization provides public assistance to homeless persons, such as cash assistance, then that organization could have a representative on PIC under the FJTPA category Public Assistance Agency.

4. Ms. Eunice Elton, Director of PIC, reports that PIC does not currently have an opening in either the Vocational Rehabilitation Agency or the Public Assistance Agency categories. Ms. Elton also advises that the Public Assistance Agency category was intended to include public welfare agencies. PIC's current representative under the Public Assistance category is the Director of the City's Department of Social Services.

5. Mr. Riddle also reports that the proposed resolution urging the Mayor to increase PIC's size by two, from 29 to 31 members is illegal under the FJTPA.

4. The proposed resolution would have no fiscal impact to the City.

**Recommendation:** Approval of the proposed resolution is a policy matter for the Board of Supervisors.



Item 5 - File 156-94-1

**Item:** Resolution urging the Mayor to appoint two additional members to the Private Industry Council, including one member representing a homeless advocacy organization and one member representing a veteran's organization. The Coalition on Homelessness would provide the Mayor with potential candidates for the two additional members.

**Description:** The Federal Job Training Partnership Act of 1982 (FJTPA) authorized the formation of private industry councils nationwide to distribute employment training monies. The purpose of the Private Industry Council (PIC) is to promote and foster employment opportunities for the unemployed, the underemployed and other economically disadvantaged persons. PIC is currently composed of 29 members who are appointed by the Mayor based on nominations made by the Chamber of Commerce and educational, labor and other public sector organizations. The FJTPA designates that PIC members are also to be representatives from these groups.

The proposed resolution would urge the Mayor to increase PIC's membership by two, from 29 to 31 members. One member would represent a homeless advocacy organization and the other would represent a veteran's organization. The Coalition on Homelessness would provide the Mayor with recommendations for both of the proposed new members.

**Comments:** 1. In 1985, based on the California Attorney General's opinion, the City Attorney issued an opinion that the Mayor may not appoint to San Francisco's PIC persons from constituency groups other than those designated in the FJTPA. The City Attorney's opinion also noted that the FJTPA empowers the PIC itself to determine the number of its members.

2. According to Mr. Joe Wilson of the Coalition on Homelessness, the FJTPA does not exclude other organizations from being represented on PIC. Mr. Wilson advises that the FJTPA only identifies those organizations that should have representatives on PIC. Further, according to Mr. Wilson, the State Job Coordinating Council states that the FJTPA only requires that a majority of the PIC be members of private industry.

3. As of the writing of this report, the City Attorney's Office has not provided an opinion regarding whether the proposed resolution urging the Mayor to appoint a member representing a homeless organization and one representing a

veteran's organization and increasing PIC's size by two, from 29 to 31 members is legal under the FJTPA.

4. The proposed resolution would have no fiscal impact to the City.

**Recommendation:** Approval of the proposed resolution is a policy matter for the Board of Supervisors.

Item 6 - File 172-94-7

**Department:** Chief Administrative Officer (CAO)

**Item:** Resolution approving a hold harmless provision for the Very Small Quantity Generator Hazardous Waste Pilot Collection Program jointly operated by the Sanitary Fill Company and the Chief Administrative Officer.

**Description:** The CAO reports that the California Health & Safety Code, Section 25158.1, permits local governments which operate household hazardous waste collection programs, and persons operating household hazardous waste collection programs under agreement with local governments, to accept hazardous waste from Very Small Quantity Generators (VSQGs). VSQGs are businesses that generate less than 100 kilograms of hazardous waste materials in a month.

The Sanitary Fill Company has been operating a household hazardous waste collection facility in the City since 1988 and has recently submitted a Notice-of-Intent to the State Office of Permit Assistance for the expansion of this facility. The proposed facility expansion would include the establishment of a permanent VSQG Collection Program.

The CAO believes that a VSQG hazardous waste collection program will help to minimize the amount of hazardous waste materials contained in the solid wastes that go to the Altamont Landfill for disposal. In order to assist in the design of the proposed permanent VSQG Collection Program, the CAO entered into an agreement with the Sanitary Fill Company for a pilot project (File 57-92-5), which entailed the collection of hazardous waste materials from VSQGs, on three separate days in 1992, at the Sanitary Fill Company's household hazardous waste collection facility. The CAO advises that, over the three day period, a total of 2,232 gallons of hazardous waste materials, 450 pounds of asbestos, and 117 aerosol cans were collected from 139 participating businesses. According to the CAO, 65 percent of the participating businesses asked to have at least one day a month set aside for VSQG hazardous waste collection.

Following the above noted collection of hazardous waste materials from VSQGs, the CAO entered into an amended agreement with the Sanitary Fill Company to provide for the collection of hazardous waste materials from VSQGs on three additional days in the first half of 1993, in order to provide further opportunity for gathering information to assist in the

development of the permanent VSQG Collection Program (File 128-93-1).

The CAO then entered into a second amended agreement with the Sanitary Fill Company to conduct three more additional hazardous waste collection days in the later part of 1993 and early part of 1994 (File 172-93-31) in order to develop additional information, such as examining traffic patterns in the neighborhood to determine the procedures that Sanitary Fill Company should follow in receiving and handling hazardous waste from VSQGs.

The proposed resolution would (1) authorize the CAO to enter into a third amended VSQG Pilot Days Collection Program Agreement with Sanitary Fill Company to conduct six additional VSQG days at its Household Hazardous Waste Facility in 1994-95, to develop new information on cost effective ways to encourage additional waste reduction by VSQGs; and (2) approve a hold harmless provision contained within this third amended agreement. The proposed third amended agreement contains the following provisions:

1. The City agrees that, for the additional six days in which hazardous waste materials are collected from VSQGs, the City would accept responsibility and liability for this hazardous waste collection as defined in applicable Federal and State hazardous waste laws.

2. The City agrees that, for the additional six days in which hazardous waste materials are collected from VSQGs, the City would hold the Sanitary Fill Company harmless from any loss, costs, expenses, claims, penalties, fines, settlements, forfeitures and suits (including costs of defense, settlement, expert witness fees, and attorneys' fees) which arise directly or indirectly from the Sanitary Fill Company being held liable or responsible for the hazardous waste received from VSQGs, at its household hazardous waste collection facility. The exception to this provision would be those losses, costs, expenses, claims, penalties, fines, settlements, forfeitures, and suits (including costs of defense, settlement, expert witness fees and attorneys' fees) caused by the Sanitary Fill Company's failure to operate or manage the household hazardous waste collection facility in accordance with (1) the terms of the proposed amended agreement and (2) in good faith compliance with applicable State and Federal laws.

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**Comments:**

1. The City Attorney's Office has reviewed and approved the proposed hold harmless agreement as to form. According to Ms. Elaine Warren of the City Attorney's Office, the proposed hold harmless agreement contains the same provisions that the Board of Supervisors approved in the first and second amended agreements with Sanitary Fill Company (Files 128-93-1 and 172-93-31), except that the proposed hold harmless agreement would hold the Sanitary Fill Company harmless for the six additional days to collect hazardous waste materials from Very Small Quantity Generators in 1994-95.

2. The title of the proposed resolution states "Approving a hold harmless agreement provision for the Very Small Quantity Generator Hazardous Waste Pilot Collection Program jointly operated by Sanitary Fill Company and the Chief Administrative Officer". However, as described above, the resolution would (1) authorize the CAO to enter into a third amended VSQG Pilot Days Collection Program Agreement with Sanitary Fill Company to conduct six additional VSQG days at its Household Hazardous Waste Facility in 1994-95; and (2) approve a hold harmless provision contained within this third amended agreement. Therefore, the title of the proposed resolution should be amended to reflect this additional authorization.

**Recommendation:** Amend the title of the proposed resolution to reflect that it will also authorize the CAO to enter into a third amended agreement as described above in Comment 2. Approval of the proposed resolution, as amended, is a policy matter for the Board of Supervisors.





Item 7 - File 93-94-3

**Department:** Mayor's Office - Employee Relations Division (ERD)

**Item:** Resolution ratifying an amendment to the Memorandum of Understanding (MOU) with Service Employees International Union (SEIU) Local 790 for staff nursing classifications (excludes Supervisory Nurses) and per diem Registered Nurses (classification P103).

**Description:** The proposed legislation would amend the current MOU between the City and SEIU Local 790, which is effective for the period of July 1, 1992, through April 30, 1994. The proposed amendment would change the effective date of the five percent wage increase contained in Sections 26 and 71 (Schedules of Compensation) of the MOU, from July 1, 1993, to January 1, 1994, thereby delaying the five percent wage increase for a period of six months. The time period specified for delay of the implementation of the five percent salary increase has already passed.

In order for the proposed amendment to the MOU to become legally enforceable and binding, it must be ratified by the Board of Supervisors.

With respect to ratifying the six-month delay for implementation of the salary increase, the action of the Board of Supervisors would be to ratify an action already taken. With respect to ratifying certain other provisions, delineated below, that were to occur during the six month period, such as no mandatory selective furloughs for the affected classifications, the action of the Board of Supervisors would also be to ratify actions already taken. However, the proposed legislation contains certain amended grievance/arbitration procedures that would have a continuing effect and which contain additional costs to the City.

The nursing classifications that would be affected by the proposed amendment are as follows:

<u>Classification</u>	<u>Title</u>	<u>Number in ASO*</u>	
2320	Registered Nurse	1,020	
2323	Clinical Nurse Specialist	39	* Annual
2330	Anesthetist	8	Salary
2340	Operating Room Nurse	35	Ordinance
2830	Public Health Nurse	84	
2328	Nurse Practitioner	<u>36</u>	
	Total	1,222	

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The proposed legislation also provides for the following:

1. The savings accruing to the City and County from the delayed implementation of the wage increase, estimated by Mr. John Madden of the Controller's Office to be approximately \$2.5 million, would remain within the Department of Public Health's FY 1993-94 budget in order to continue services to citizens in San Francisco without nursing layoffs;
2. Between July 1, 1993, and December 31, 1993, no mandatory selective furloughs may be imposed on any of the classifications enumerated above;
3. The grievance/arbitration procedures set forth in the current MOU would be replaced by the grievance/arbitration procedure set forth in the arbitration decision between the SEIU and the City dated May 24, 1993 (See Comment Nos. 1 through 3);
4. Retroactive to July 1, 1993 through December 31, 1993, no permanent nurses, excluding provisional, exempt, or probationary employees, would be laid off from City service. Further, any layoff notices already issued would be rescinded (no layoffs have occurred);
5. Retroactive beginning August 1, 1993, the City and the Department of Public Health agree to cooperate fully with the SEIU to implement a Voluntary Time-Off Program. Any Nurse volunteering for time off without pay would not unreasonably be denied such request. Any denial would be subject to an expedited arbitration procedure. As of the writing of this report, the Department could not provide information concerning how extensively the Voluntary Time-Off Program has been used;
6. The City and the SEIU agree that all other issues concerning salaries, benefits, and other terms and conditions of employment contained in the current MOU between the City and SEIU Local 790, which is effective for the period of July 1, 1992, through April 30, 1994, shall remain in full force and effect for the term of the Agreement;
7. Alleged violations of the proposed MOU would be subject to the grievance and arbitration procedures specified in point number 3 above.

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**Comments:**

1. According to Mr. Ed Gazzano of the Department of Public Health, the proposed changes in the grievance/arbitration procedures would allow, for the first time, written warnings and suspensions to be arbitrated before a neutral third party. Previously, only discharges for cause could be appealed to a neutral third party.
2. Mr. Madden reports that the changed grievance/arbitration procedures will result in additional, but undetermined costs to the City to cover such expenses as arbitrator fees, court reporter fees, transcripts (if required), and costs for staff time, including costs of the City Attorney and the Health Department staff.
3. Mr. Gazzano reports that the disciplinary rate for the affected nursing classifications is very low, and that therefore the costs for the additional grievance/arbitration procedures should be relatively low. However, the Budget Analyst notes that should the new grievance/arbitration procedures be applied to other classifications covered by the SEIU (approximately 13,000 City employees in approximately 1,300 classifications), then the costs could be significant.
4. Mr. Holtzman of the City Attorney's Office reports that the City's offer to the SEIU included arbitration of suspension and discharge matters for permanent employees. However, the issues of arbitration for temporary employees and for disciplinary action less than suspension are issues that are currently in litigation.
5. As previously stated, the estimated savings from the six-month delay in the implementation of the salary increases for the affected nursing classifications is approximately \$2.5 million. According to Mr. Gazzano, at the time the proposed amendment was negotiated, between May 28, 1993 and July 6, 1993, the Health Department was facing significant budget reductions in its FY 1993-94 Budget. Initially, those budget reductions would have included approximately 175 layoffs to permanent nursing positions in the affected classifications.<sup>1</sup> However, the final FY 1993-94 Budget approved by the Board of Supervisors restored funding to the Department sufficient to eliminate the necessity of having to layoff any nurses in the affected classifications. The restored funding also included the \$2.5 million in savings from the six-month salary increase delay.

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<sup>1</sup>As reported by Mr. Gazzano, 66 of the approximately 175 permanent nursing position layoffs would have occurred at Laguna Honda Hospital, over time, in conjunction with the closing of 300 beds at the Hospital.

6. Mr. Gazzano reports that the \$2.5 million savings from the six-month delay in the implementation of the subject five percent salary increase was combined with other funding to restore approximately 426 positions in the Department of Public Health, including approximately 100 permanent nursing staff positions of the approximately 175 positions that had previously been identified for elimination.

7. Mr. Gazzano further reports that no layoff notices were transmitted to permanent nurses in the subject classifications. Further, 30 of 32 layoff notices to nurses in the affected classifications which were provisional, exempt, or probationary employees were rescinded. As a result, only two provisional exempt, or probationary nurses were actually laid off in FY 1993-94.

**Recommendation:** The decision of whether to ratify the proposed legislation that would amend the existing MOU between the City and SEIU Local 790 for staff nursing classifications and per diem Registered Nurses is a policy matter for the Board of Supervisors.

Item 8 - File 93-94-4

- Department:** Mayor's Office - Employee Relations Division (ERD)
- Item:** Resolution ratifying a Memorandum of Understanding (MOU) with the Deputy Sheriff's Association.
- Description:** The proposed MOU between the Sheriff's Department and the Deputy Sheriff's Association, represented by Operating Engineers Local Union No. 3, is concerned with various issues of working hours and other terms and conditions of employment. The proposed MOU would be effective upon approval by the Board of Supervisors through November 15, 1995.

According to Undersheriff Walter Thomas of the Sheriff's Department, the terms and conditions of employment covered by the proposed MOU are identical to those that have existed for at least the past six years between the Sheriff's Department and the Deputy Sheriff's Association. However, Undersheriff Thomas reports that this would be the first time that the MOU has been presented to the Board of Supervisors for approval. Undersheriff Thomas further reports that the reason for the MOU not being brought before the Board of Supervisors in the past is that the Department had not been instructed to have the Agreement so ratified in previous years, since the agreement was viewed by the Department as being strictly between the Sheriff and the Deputy Sheriff's Association.

Mr. Carl Bunch of the Employee Relations Division reports that the contents of the proposed MOU contain the standard provisions of most MOUs to which the City is a party: Recognition, Initiation of Meet and Confer Process, Equal Opportunity, Vacations, Grievance Procedures, etc. The proposed MOU would cover employees in the following classifications:

<u>Classification</u>	<u>Title</u>	<u>Number in ASO*</u>
8304	Deputy Sheriff	384
8306	Senior Deputy Sheriff	82
8308	Sheriff's Sergeant	30
8310	Sheriff's Lieutenant	19
8312	Sheriff's Captain	4
8314	Chief Deputy Sheriff	<u>2</u>
	Total	521

\*Annual Salary Ordinance



With respect to salaries, the proposed agreement states that the "Department agrees to administer the Annual Salary Ordinance (ASO) and the Salary Standardization Ordinance (SSO) for each fiscal year as adopted by the Board of Supervisors...." The agreement also states that affected employees shall work overtime when ordered by the Sheriff, and provides a process for offering voluntary overtime assignments based on seniority. According to Undersheriff Thomas, the cost of offering voluntary overtime assignments based on seniority should not be significant because few senior Deputy Sheriffs volunteer to work overtime hours. Undersheriff Thomas notes that mandatory overtime is generally assigned to the least senior staff.

The proposed MOU also provides that the Deputy Sheriff's Association and the employees in the bargaining unit agree not to authorize or engage in a strike, work stoppage or slowdown.

**Comments:**

1. As previously stated, the proposed MOU would be in force from the date of its adoption by the Board of Supervisors until November 15, 1995.

2. The proposed MOU contains policies and procedures concerning work rules, assignments and transfers, safety, work schedules, and other terms and conditions of employment. However, the proposed MOU does not contain provisions regarding wages, salaries or other economic issues, other than the statement previously quoted stating that the Department agrees to administer the ASO and the SSO for each fiscal year, as adopted by the Board of Supervisors.

3. According to Undersheriff Thomas, since the proposed MOU does not contain any significant new provisions concerning the terms and conditions of employment, the proposed MOU does not have a financial impact on the City. Mr. Bunch and the Budget Analyst concur in that assessment.

4. A separate MOU in effect between the City and the Deputy Sheriff's Association that contains fiscal provisions was last ratified by the Board of Supervisors on April 27, 1992 (Resolution No. 348-92). That legislation addressed the wage freeze for fiscal year 1991-92. That MOU, which expires on July 1, 1995, includes provisions for fringe benefits, uniform allowances, premium pay, mileage, meals, night differentials, overtime pay, call back pay, standby pay and other fiscal provisions.

**Recommendation:** Approve the proposed resolution.

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Item 9 - File 93-94-5

**Department:** Mayor's Office - Employee Relations Division (ERD)

**Item:** Resolution ratifying a Memorandum of Understanding (MOU) with the San Francisco Probation Officers Association.

**Description:** The proposed MOU between the City and the San Francisco Probation Officers Association, represented by the Freight Checkers, Clerical Employees and Helpers, Local 856 (Union), is a new Agreement that pertains to terms and conditions of employment. The proposed MOU must be ratified by the Board of Supervisors to become legally enforceable and binding, and would be effective from the date of ratification through June 30, 1994.

Mr. Carl Bunch of the Employee Relations Division reports that the contents of the proposed MOU contain the standard provisions of most MOUs to which the City is a party: Recognition, Initiation of Meet and Confer Process, Management Rights, Grievance Procedures, etc. The proposed MOU would cover employees in the following classifications:

<u>Classification</u>	<u>Title</u>	<u>Number in ASO*</u>
8440	Probation Officer	86
8442	Senior Probation Officer	<u>61</u>
Total		147

\*Annual Salary Ordinance

Specific salary provisions are not a part of the proposed MOU. As stated in the proposed MOU, salaries for the affected classifications would be governed by Charter Section 8.407, "Definition of Generally Prevailing Rates of Wages."

Section 8 of the proposed MOU, "Retirement," is concerned with the process of transferring retirement credit from the San Francisco Employees' Retirement System (SFERS) to the California Public Employees' Retirement System (PERS). According to Mr. Kieran Murphy of the Retirement System, effective September 1, 1990, Probation Officers in the affected classifications transferred from the SFERS Miscellaneous Plan to the PERS Two Percent at 50 Plan. However, the service retirement credit for these Probation Officers prior to September 1, 1990 remained with the SFERS. The proposed legislation would require that an actuarial study be performed to estimate the cost of transferring this prior service credit from SFERS to PERS. The proposed legislation would also

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require SFERS to estimate the liability associated with this prior service credit and to recommend to the Retirement Board the associated assets (funds in the Retirement System) that would need to be transferred from SFERS to PERS, if the service credit transfer were implemented.

However, the proposed legislation would only require that the actuarial study be conducted and would not require the transfer of any Retirement System funds from SFERS to PERS.

The proposed legislation provides that the Union may select up to two represented employees to act as official representatives. Official representatives would represent the Union in jointly scheduled meetings with management, without any loss of pay to the employees. Further, the Union may select up to a total of four represented employees from each City department that contains represented employees to act as shop stewards.

**Comments:**

1. According to Mr. Murphy, the proposed legislation would not have any immediate adverse effect on the SFERS, since the proposed legislation would not actually transfer any funds from the SFERS. However, Mr. Murphy reports that based on an actuarial study conducted in 1989, approximately \$5 million in assets would be affected. Mr. Murphy indicates that the amount of assets that would be affected by such a transfer have changed since the last study was completed, however, Mr. Murphy cannot currently estimate the amount of such change. Furthermore, Mr. Murphy indicated that the benefits to these employees and the related costs to the City could increase significantly, although the amount of such increase could not be identified, as of the writing of this report.

2. As of the writing of this report, neither the Employee Relations Division nor the Controller's Office could provide specific costs associated with the union activities, as outlined in the proposed MOU.

3. Ms. Clare Murphy of the Retirement System reports that the cost of the actuarial study, as contained in Section 8 of the proposed MOU, should not exceed \$500.

**Recommendation:** Continue the proposed resolution, pending additional clarification to the Budget Analyst of the fiscal provisions of the proposed MOU on the City.

Item 10 - File 47-93-9

**Note:** This item was continued from the December 15, 1993 Government Efficiency and Labor Committee meeting.

**Departments:** Parking and Traffic  
Real Estate

**Item:** Ordinance approving the form of the Performing Arts Garage management agreement and the bidding documents and authorizing the Director of Property to request bids for management of the Performing Arts Garage using those documents.

**Description:** The proposed ordinance would approve the form of the Performing Arts Garage management agreement and the related necessary bidding documents. The proposed ordinance would also authorize the Director of Property to request bids for management of the Performing Arts Garage.

The term of the proposed management agreement would be five years. Under the provisions of the proposed management agreement, the City reserves the right to fix and determine the parking rates and the specific terms and conditions for operating the Performing Arts Garage. The specific parking rates charged at the Performing Arts Garage are subject to approval by the Board of Supervisors.

The Performing Arts Garage is a 612-space parking facility, located on Grove Street, between Franklin and Gough Streets.

To be qualified to bid on the proposed management agreement, a potential bidder must 1) be a certified economically disadvantaged business (or a joint venture of two such businesses), as determined by the City's Human Rights Commission, 2) have successfully managed or operated one or more attendant parking facilities having at least 200 parking spaces and gross monthly revenues of at least \$25,000 for a period of at least one year; and (3) show evidence of good financial standing and ability to perform the Manager's obligations under the proposed management agreement.

**Comments:**

1. According to Mr. Kevin Hagerty of the Department of Parking and Traffic, in an effort to increase the MBE/WBE participation in the management of City facilities, the Parking Authority Commission had initially set aside the management of two facilities for bidding by minority-owned and women-owned businesses only. However, Mr. Hagerty reports that Five Star Parking, the current operator of the Performing Arts Garage, submitted a written protest to the Department of Parking and Traffic concerning the proposed MBE/WBE set aside. Mr. Hagerty reports that the Parking and Traffic Commission held a public hearing on this matter on January 4, 1994. The Human Rights Commission, Contract Review Committee reviewed the public testimony and determined, in consultation with the City Attorney's Office, that there was not enough evidence to set aside the Performing Arts Garage contract for minority and women-owned businesses. However, the Contract Review Committee did recommend that the Parking Authority Commission set aside the contract for disadvantaged businesses.

Mr. Hagerty reports that the bid for the 1660 Mission Street Garage was set aside for MBE/WBEs only. The award of the management agreement for the 1660 Mission Street Garage is currently pending before the Government Efficiency and Labor Committee (See Item 1e, File 47-93-11.1 of this report).

2. Mr. Hagerty reports that in accordance with the Human Rights Commission's definition, a disadvantaged business is defined as a firm which grosses \$2 million or less annually. Under the proposed arrangement to set aside this management contract for disadvantaged businesses, the City's bid preferences for minority, women and locally-owned businesses would still apply. As defined in Chapter 12D of the City's Administrative Code, a five percent bid preference would be awarded to locally owned businesses and a ten percent bid preference would be awarded to minority or women owned businesses.

3. The Parking and Traffic Commission recently evaluated the requirements for all necessary bonds to ensure that they would not be a barrier to qualified disadvantaged businesses. Mr. Hagerty reports that the Parking and Traffic Commission set (1) the bid bond for the proposed Performing Arts Garage operator at \$2,000, down from the original \$5,000, (2) the performance bond at \$120,000,

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down from the original \$225,000, and (3) the blanket fidelity bond at \$100,000 rather than approximately \$300,000. According to Mr. Keith Grand, the City's Risk Manager, Mr. Grand worked with the Department of Parking and Traffic to determine the appropriate levels of bonds needed to protect the City. Mr. Grand reports that the proposed lowered bond levels will provide adequate protection for the City.

4. According to Mr. Hagerty, not including the off-street metered parking lots, the Department of Parking and Traffic has a total of 15 garages and two surface operator parking lots, under its jurisdiction. Six of the garages are currently operated by non-profit corporations. Of the remaining nine garages and two surface lots, three garages and one surface lot are operated by City-certified MBE firms. Mr. Hagerty reports that none of the Department of Parking and Traffic's garages are operated by a disadvantaged business.

5. Five Star Parking is the current operator of the Performing Arts Garage. Five Star Parking's five year contract, expired at the end of September, 1993 and has continued to operate the Garage on a month-to-month basis. Under the current provisions of the contract, Five Star Parking pays the City 72.18 percent of the gross revenues, after deducting parking taxes, or a minimum of \$20,000 per month. In 1992-93, Five Star Parking paid the City a total of \$590,000 in net revenues. According to Mr. Hagerty, Five Star Parking is not a disadvantaged business.

6. Based on the proposed bid documents, the future garage operator's contract would be in the form of a fixed rate operator contract rather than the current percent of gross lease arrangement. Under the proposed fixed rate operator contract arrangement, the garage operator would deposit all of the receipts from the garage into the City's account, on a daily basis. At the end of each month, the City would pay the operator the agreed upon management fee. This would enable the City, the use of such funds upfront, instead of the current arrangements, whereby the garage operator deducts their fee and pays the City the balance of the revenues at the end of each month. The Department of Parking and Traffic estimates gross revenues of approximately \$900,000 from the Performing Arts Garage in 1993-1994.

7. Mr. Hagerty notes that there is currently an arrangement at the Performing Arts Garage that provides approximately 50 free parking spaces to employees of the City's Department of Public Works and Superior and Municipal Courts on weekdays.

8. Award of the management agreement to a parking operator for the Performing Arts Garage will require separate future legislation, subject to approval of the Board of Supervisors.

**Recommendation:** Approve the proposed ordinance.



Items 11, 12 and 13 - Files 172-94-3; 97-94-3 and; 97-94-4

**Department** Department of Public Health (DPH)  
San Francisco General Hospital (SFGH)

**Items:** **File 172-94-3:** Ordinance authorizing the Director of Public Health to execute an affiliation agreement between the City and County of San Francisco and the Regents of the University of California for the provision of patient care services at San Francisco General Hospital.

**File 97-94-3:** Ordinance amending the San Francisco Administrative Code by repealing Section 19.A.3, which authorizes and directs the Director of Public Health to designate space at San Francisco General Hospital for research projects.

**File 97-94-4:** Ordinance amending the San Francisco Administrative Code by repealing Section 19.A.11 which authorizes the Health Commission to enter into an agreement with the University of California for the provision of medical and laboratory services at San Francisco General Hospital.

**Description:** San Francisco General Hospital has requested that these three ordinances be continued to the next meeting of the Government Efficiency and Labor Committee on March 15, 1994.

**Recommendation:** Continue the proposed ordinances to the Government Efficiency and Labor Committee meeting of March 15, 1994.



Items 14 and 15 Files 112-94-1 and 112-94-1.1

**Items:**

Item 14, File 112-94-1 - The proposed resolution would designate the San Francisco Examiner as the official newspaper of the City and County of San Francisco, commencing April 1, 1994 and ending June 30, 1994, for all official advertising of the City and County, which is required by law to be published more than one time, but not more than three times a week.

Item 15, File 112-94-1.1 - The proposed resolution would designate the San Francisco Examiner as the official newspaper of the City and County of San Francisco, commencing July 1, 1994, for specified categories of official advertising.

**Description:**

Official advertising is divided into two categories: (1) Ads for Two or More Consecutive Days - official advertising which must be published on two or more consecutive days, and all official advertising which is required to be published in accordance with Section 2.200 or 2.201 of the Charter for special meetings of the Board of Supervisors and its standing or special committees and (2) Ads for Single or Non-consecutive Days - official advertising which must be published one time, other than one-time advertising related to special meetings of the Board of Supervisors and its standing and or special committees, or more than one time but not more than three times per week for a specified number of weeks.

The Purchasing Department currently contracts with the San Francisco Examiner and the San Francisco Independent for the provision of official advertising services. The San Francisco Examiner's contract, which is due to expire on June 30, 1994, provides for (1) all official advertising which must be published on two or more consecutive days and all official advertising which must be published in accordance with Section 2.200 or 2.201 of the Charter for special meetings of the Board of Supervisors and its standing or special committees, and (2) for all official advertising which must be published more than one, but not more than three times per week for a specified number of weeks. The proposed resolution (File 112-94-1.1) would designate the San Francisco Examiner as the newspaper to continue to provide these advertising services for the period July 1, 1994 through June 30, 1995.

The San Francisco Independent's contract, which is due to expire March 31, 1994, provides for all official advertising which must be published one time, other than one-time

advertising related to special meetings of the Board of Supervisors and its standing or special committees, or more than one time but not more than three times per week for a specified number of weeks. The proposed resolution (File 112-94-1) would designate the San Francisco Examiner, to provide these services for the period April 1, 1994 through June 30, 1994 (three months).

The Purchasing Department had previously selected the San Francisco Examiner as the lowest bidder to provide the official advertising services noted-above that are currently being provided by the San Francisco Independent. However, questions were raised regarding the San Francisco Examiner not delivering its newspaper to all areas of the City. As such, the 1992-93 contract with the San Francisco Independent for these services was extended for a three-month period from July 1, 1993 through September 30, 1993 in order to provide additional time to address this issue. In response to this issue, the Board of Supervisors approved an ordinance (File 97-93-46) to provide that any bidders for the City's official advertising contracts must certify in writing that newspapers will be delivered to any area in the City upon request. The Purchasing Department then extended the San Francisco Independent's contract an additional six months from October 1, 1993 through March 30, 1994 in order to allow the Purchaser additional time to issue a bid for these services, in accordance with the provisions of this new ordinance.

**Comments:**

1. According to the Purchasing Department, in response to its Request for Bids issued on January 28, 1994 for both categories of official advertising as described above, the Department received two bids for official advertising which must be published on two or more consecutive days and eight bids for official advertising which must be published for single or non-consecutive days. Bidders were required to submit typeset samples. The San Francisco Examiner was selected by the Purchaser on the basis of being the lowest reliable and responsible bidder and, in accordance with the new ordinance noted above, has certified in writing that newspapers will be delivered to any area in the City upon request. A comparison of the ten bids for the two bid items is as follows:

**Bid Item - I (7/1/94 to 6/30/95)**

**Ads for Two or More Consecutive Days**

<u>Newspaper</u>	<u>Total Cost of Typeset Samples</u>
San Francisco Examiner	\$282.80
San Francisco Chronicle	519.14

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Ads for Single or Non-consecutive Days

<u>Newspaper</u>	<u>Total Cost of Typeset Samples</u>
San Francisco Beacon	\$221.44*
San Francisco Examiner	282.80
San Francisco Independent	461.91
San Francisco Chronicle	519.14

Bid Item - II (4/1/94 to 6/30/94 - three months)

Ads for Single or Non-consecutive Days

<u>Newspaper</u>	<u>Total Cost of Typeset Samples</u>
San Francisco Beacon	\$221.44*
San Francisco Examiner	282.80
San Francisco Independent	461.91
San Francisco Chronicle	519.14

\* The Purchasing Department advises that the San Francisco Beacon's bid was rejected because the company failed to (1) meet the bid requirements to publish three times a week, (2) meet the minimum circulation requirement of 50,000 copies per week and (3) meet the requirement of the submission of a verified audit report covering six months.

2. The Purchasing Department reports that the San Francisco Examiner would, for billing purposes, charge the City \$1.40 per line Monday through Saturday for Bid Items I and II advertising. For Sundays, the San Francisco Examiner would charge the City \$3.58 per line.

3. The FY 1993-94 budget includes the following amounts for the City's official advertising:

Board of Supervisors	\$263,726
Purchaser	6,000
Department of Public Works	97,000
City Planning	44,721
Port	88,090
Public Utilities Commission	25,000
Airport	<u>2,500</u>
Total	\$527,037

**Recommendation:** Approve the proposed resolution.





Item 16 - File 82-94-2

**Department:** Real Estate Department

**Item:** Ordinance authorizing the grant of an easement to Pacific Bell over City-owned property in the City of Modesto for installation of a Community Service Cabinet.

**Amount:** \$2,500

**Description:** The proposed ordinance would authorize the grant of an easement to Pacific Bell to install a Community Service Cabinet. A Community Service Cabinet (CSC) contains electronic circuitry that is capable of expanding the capacity of a telephone cable by approximately 15 times. This CSC is necessary to Pacific Bell to meet the increased demand for the telephone service in the area. The CSC and a protective fence surrounding the CSC would be installed over approximately 540 square feet of a Hetch Hetchy right-of-way in the City of Modesto. Pacific Bell has agreed to pay \$2,500 or approximately \$4.63 per square foot for this easement.

**Comments:** 1. Mr. Larry Ritter of the Real Estate Department advises that Hetch Hetchy has reviewed the proposed project and determined that it will not interfere with the City's right-of-way in Modesto, which is used for the transmission of water from the Hetch Hetchy Dam to San Francisco.

2. According to Mr. Ritter, the \$2,500, or approximately \$4.63 per square foot that Pacific Bell has agreed to pay the City for this easement, represents the fair market value.

3. According to Mr. Carlos Jacobo of the Public Utilities Commission, the \$2,500 will be deposited into Hetch Hetchy's Miscellaneous Revenues Account to support Hetch Hetchy's operating costs.

**Recommendation:** Approve the proposed ordinance.



Item 17 - File 127-93-2.1

**Department** Tax Collector

**Item:** Resolution amending or disapproving New Jobs Credit Regulations under Section 906B and 1005.6 of Part III of the Municipal Code.

**Description:** The Board of Supervisors previously approved an ordinance to amend Part III of the Municipal Code to create an exemption from the City's Payroll and Gross Receipts Taxes for those businesses which create new jobs in San Francisco (File 127-93-2). The previously approved ordinance provides a business tax credit computed as the amount of Payroll Taxes which an employer would have paid, as a result of a new job being created. The tax credit is deducted from the firm's actual liability for the payment of Payroll or Gross Receipts Taxes. During the first 12 months after a job is created, the tax credit will equal 100 percent of a firm's Payroll Tax liability for the new salary and wages. During the second 12 months after a job is created, the tax credit will equal 50 percent of a firm's Payroll Tax liability for the new salary and wages. To ensure that the tax credit will not reduce the employers' Payroll Tax liability for existing jobs, the previously approved ordinance provides that no firm can pay less in business taxes after the tax credit than a baseline level, known as the "base year liability". The base year liability will be calculated as the employer's highest Payroll Tax liability, exclusive of tax credits, in any previous tax year since 1992. Under this provision, the tax credit can only apply to the extent that salary and wages in a given tax year have increased over a baseline level established in a previous year.

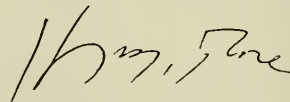
Pursuant to Sections 906B and 1005.6 of Part III of the Municipal Code, the Tax Collector has adopted and set forth regulations outlining the definitions and guidelines to be used in determining the eligibility for tax credits under the New Jobs Tax Credit ordinance (see Attachment). The Tax Collector advises that the Board of Tax Review, which is composed of the Chief Administrative Officer, the Controller and the Assessor, has reviewed and approved the regulations as set forth by the Tax Collector. The proposed resolution provides the option for the Board of Supervisors to amend or disapprove the regulations as set forth by the Tax Collector.

**Comments:** 1. The New Jobs Tax Credit Regulation's major stipulations are as follows: (1) the new jobs tax credit shall be allowed for new jobs that are created or relocated in San Francisco, only

if those jobs are permanent jobs (any job which does not last a minimum of two years shall not be considered permanent). If the taxpayer claims tax credits for a job that does not in fact last the minimum two years, the taxpayer must file an amended tax statement and pay the amount of credit previously claimed for such job, (2) for each job identified as eligible for the tax credit, the credit allowed for the first year of the job shall be 100 percent of the Payroll Tax and for the second year of the job the credit allowed shall be 50 percent, (3) the tax credit shall only be allowed for jobs that otherwise would not have been created or relocated in San Francisco. Accordingly, no credit shall be allowed for any work that could only be performed in San Francisco (i.e., on-site jobs at theatrical or sporting events or jobs on construction sites in San Francisco), (4) no tax credit shall be allowed for any job that had previously been performed in San Francisco for a predecessor employer, except to the extent that the job would have qualified as a new job and therefore been eligible for the tax under the predecessor employer. A predecessor employer shall include but not be limited to, (a) a previous owner of the assets of the current employer, (b) a previous owner of the business of the current employer, or (c) a previous owner prior to a reorganization, merger, consolidation, division, spin-off, or split-off that resulted in the present employer.

2. As noted above, the proposed resolution provides the Board of Supervisors with the option to amend or disapprove the New Jobs Credit regulations. Unless the Board of Supervisors chooses to modify or disapprove these regulations, such regulations would become effective 30 days after receipt by the Board of Supervisors, whether or not the Board approves the legislation.

**Recommendation:** Approval of the proposed resolution is a policy matter for the Board of Supervisors.



Harvey M. Rose

cc: Supervisor Hallinan	Supervisor Maher
Supervisor Kaufman	Supervisor Shelley
Supervisor Migden	Clerk of the Board
President Alioto	Chief Administrative Officer
Supervisor Bierman	Controller
Supervisor Conroy	Teresa Serata
Supervisor Hsieh	Robert Oakes
Supervisor Kennedy	Ted Lakey
Supervisor Leal	

BOARD OF SUPERVISORS  
BUDGET ANALYST

BUSINESS TAXES DIVISION  
RULES AND REGULATIONS

**DRAFT**  
FOR DISCUSSION PURPOSES ONLY

TAX COLLECTOR'S RULING NO. 10  
NEW JOBS TAX CREDIT REGULATIONS

For the purposes of Sections 906B and 1005.6 of Part III of the Municipal Code, the following definitions and guidelines shall be used to determine the availability of the new jobs tax credit.

A. Requirement that jobs be permanent. The new jobs tax credit shall be allowed for new jobs that are created or relocated in San Francisco, *only if* those jobs are permanent jobs. Pursuant to Sections 906B(a) and 1005.6(a) of Part III of the Municipal Code, any job which does not last a minimum of two years shall not be considered permanent, and therefore shall not be eligible for the tax credit.

Where (i) a taxpayer claims the credit for any job(s) expected to last two years or longer and (ii) the job(s) in fact does not last the minimum of two years, the taxpayer must file an amended tax statement with the Tax Collector and pay the amount of credit claimed for such job(s).

B. Computation of the tax. For each job identified as eligible for the new jobs tax credit, the credit allowed for the first year of the job shall be 100% of the payroll expense tax, and for the second year of the job shall be 50% of the payroll expense tax that otherwise would be due.

No credit shall be allowed for any first year of employment to the extent that such credit would reduce the employer's payroll expense tax liability below the employer's base year liability. Furthermore, no credit shall be allowed for any second year of employment to the extent that such credit for any second year of employment and any credits for first year of employment would reduce the employer's payroll expense tax liability below the employer's previous base year liability.

However, if there is no net increase in number of employees, the taxpayer shall not be allowed any tax credit even if the payroll expense tax liability in the tax year exceeds the payroll expense tax liability in the base year. Where an increase in employees occurs, the taxpayer shall be allowed a credit only to the extent of the net increase in employees.

C. Jobs that could only be performed in San Francisco. The credit shall only be allowed for jobs that otherwise would not have been created or relocated in San Francisco. Accordingly, no credit shall be allowed for any work that could only be performed in San Francisco, such as on-site jobs at theatrical or sporting events that occur in San Francisco, or jobs on construction sites in San Francisco.

D. Predecessor employer limitation. No credit shall be allowed for any job that had previously been performed in San Francisco for a predecessor employer, except to the extent that the job would have qualified for the credit had it continued to have been performed for the predecessor employer. A predecessor employer shall include, but not limited to:

- (1) A previous owner of the assets of the current employer (to the extent that the assets are used in substantially the same business).
- (2) A previous owner of the business of the current employer, whether by way of stock, partnership interest, or proprietorship.

(3) A previous employer prior to a reorganization, merger, consolidation, division, spin off, or split off that resulted in the present employer.

For purposes of calculating base year limitations, an employer shall assume a predecessor employer's base year limitations that would have been in effect. Should the predecessor employer continue to operate part of the business (e.g. spin off, partial sale), the base year limitation shall be apportioned between the predecessor employer and the new employer.

Similarly, to the extent that an employer's business is enlarged through the acquisition of assets or ownership of another business, the employer shall assume that portion of the predecessor employer's base year liability assumed with such acquisition, and the predecessor employer allowed a reduction of its base year liability by an equivalent amount.



CALENDAR

GOVERNMENT EFFICIENCY & LABOR COMMITTEE  
BOARD OF SUPERVISORS  
CITY AND COUNTY OF SAN FRANCISCO

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REGULAR MEETING

TUESDAY, MARCH 15, 1994

2:00 PM

ROOM 228, City Hall

MEMBERS: Supervisors Terence Hallinan, Barbara Kaufman, Carole Migden

CLERK: Joni Blanchard

\* \* \* \* \*

Disability Access

The Board of Supervisors Committee Meeting Room (228) and the Legislative Chamber of the Board are on the second floor of City Hall.



Both the Committee Room and the Chamber are wheelchair accessible. The closest accessible BART Station is Civic Center, 2 1/2 blocks from City Hall. Accessible MUNI line serving this location is the #42 Downtown Loop as well as the METRO stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services, call 923-6142.



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The following services are available on request 72 hours prior to the meeting or hearing:

For American sign language interpreters or the use of a reader during a meeting, contact Violeta Mosuela at (415) 554-7704.

For a large print copy of an agenda, contact Moe Vazquez at (415) 554-4909.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

## CONSENT CALENDAR

1. All matters listed hereunder constitute a Consent Calendar, are considered to be routine, and will be acted upon by a single roll call vote. There will be no separate discussion of these items unless a member of the Committee or the public so requests, in which event the matter shall be removed and considered as a separate item:
  - a. File 94-94-1. [1994-95 State Grant for Six Muni Railway Projects] Resolution authorizing the Public Utilities Commission to apply for, accept, and expend \$3,903,020 from 1994-95 State Transit Capital Improvement funds and an equal amount of local matching funds to provide financing for six Municipal Railway projects. (Public Utilities Commission)  
(Consideration continued from 3/1/94)
  - b. File 143-94-2. [Funds-State Council on Developmental Disabilities] Resolution authorizing the Chief of Police of the City and County of San Francisco to retroactively apply for, accept and expend funds in the amount of \$90,000 for the new funding for one-year project entitled "California Law Enforcement Officers Effectively Communicating with Handicapped Offenders." (Police Department)
  - c. File 64-94-2. [Lease of Property at 30 Van Ness Avenue] Resolution authorizing lease of real property at 30 Van Ness Avenue for the Department of Public Works. (Also see File 64-91-28.) (Real Estate Department)
  - d. File 89-94-9. [SDI Coverage for Classification 1366] Resolution authorizing enrollment of Classification 1366 Special Assistant VII in the State Disability Insurance Program. (Mayor's Office of Employee Relations)
  - e. File 89-94-10. [SDI Coverage for Classification 8488] Resolution authorizing enrollment of Classification 8488 Director, Crime Prevention, in the State Disability Insurance Program. (Mayor's Office of Employee Relations)
  - f. File 172-94-8. [Permit/License to Use Property] Resolution authorizing the Director of Property to enter into a license agreement with the United States Postal Service to use City property at 850 Bryant Street for mail room purposes. (Real Estate Department)

## REGULAR CALENDAR

2. File 97-93-66. [Communications Regulatory Commission] Ordinance amending Administrative Code by adding Chapter 22C to create a Communications Regulatory Commission and repealing Sections 11.40, 11.41, 11.42, 11.43, and 11.44 concerning the Telecommunications Policy Committee. (Supervisor Bierman)  
FISCAL IMPACT  
(Consideration continued from 3/1/94)

ACTION:

3. File 106-94-1. [Staff Report and Salary and Wage Survey Booklet] Hearing to consider the Department of Human Resource's Staff Report for Salary Standardization, Fiscal Year 1994-95, dated January 28, 1994, and the Salary and Wage Survey Preliminary Booklet dated January 3, 1994, with proposed benchmark of compensation adjustments approved by the Civil Service Commission for classifications subject to the provisions of Charter Sections 8.400, 8.401 and 8.407. (Department of Human Resources)  
(Consideration continued from 3/1/94)
- ACTION:
4. File 156-94-1. [Private Industry Council] Resolution urging the Mayor to appoint two (2) additional members to the Private Industry Council, San Francisco, one each representing a homeless advocacy organization and one veterans' organization, with recommendations to be received from the Coalition on Homelessness. (Supervisor Hallinan)  
(Consideration continued from 3/1/94)
- ACTION:
5. File 112-93-4. [Official Newspaper] Resolution designating the San Francisco Independent as an official newspaper of the City and County of San Francisco, commencing April 1, 1994, on an interim basis not to exceed three months, for all official advertising of the City and County, which is required by law to be published one time but not more than three times weekly. (Supervisor Hallinan)
- ACTION:
6. File 112-94-1.1. [Official Newspaper-Fiscal Year 94/95] Resolution designating the San Francisco Examiner to be the official newspaper of the City and County of San Francisco, commencing July 1, 1994, for specified categories of official advertising. (Purchasing Department)  
(Consideration continued from 3/1/94)
- ACTION:
7. File 225-94-1. Hearing to consider the status of the Stanislaus County and others' lawsuit against Pacific Gas & Electric Company and to further consider appropriate action by the City and County of San Francisco. (Supervisor Hallinan)
- ACTION:
8. File 172-94-3. [Affiliation Agreement] Ordinance authorizing the Director of Public Health to execute an affiliation agreement between the City and County of San Francisco and the Regents of the University of California for the provision of patient care services at San Francisco General Hospital; see Files 97-94-3 & 97-94-4. (Department of Public Health)  
(Consideration continued from 3/1/94)

ACTION:

9. File 97-94-3. [University Research Space] Ordinance amending Administrative Code by repealing Section 19.A.3, which authorizes and directs the Director of Public Health to designate space at San Francisco General Hospital in order that the University of California may conduct research projects. (Department of Public Health)  
(Consideration continued from 3/1/94)

ACTION:

10. File 97-94-4. [Univ. of California/Medical and Laboratory Services] Ordinance amending the Administrative Code by repealing Section 19.A.11, which authorizes the Health Commission and the Purchaser to enter into an agreement with the University of California for the provision of medical and laboratory services at San Francisco General Hospital beginning July 1, 1995. (Department of Public Health)  
(Consideration continued from 3/1/94)

ACTION:

11. File 27-94-2. [Airport, Lease and Use Agreement] Ordinance approving Modification No. 3 of Lease and Use Agreement between Trans World Airlines, Inc. (TWA) and City and County of San Francisco, acting by and through its Airports Commission. (Airports Commission)

ACTION:

12. File 97-94-15. [Health Service System Plans & Rates of Contribution] Ordinance amending Administrative Code, by amending Section 16.157, approving Health Service System plans and rates of contribution as adopted by the Health Service Board. (Health Service System)

ACTION:

13. File 65-94-5. [Amendment to Sony Scoreboard Agreement] Resolution approving a second amendment to the agreement to furnish scoreboard and other related services, which provides for the installation of a new video replay screen and other improvements to be funded through additional advertising revenue. (Recreation and Park Department)

ACTION:

#### LITIGATION

14. File 45-94-9. [Settlement of litigation of Richard Haden] Ordinance authorizing settlement of litigation of Richard Haden against the City and County of San Francisco by payment of \$15,000. (United States District Court No. C92-0532 DLJ) (City Attorney)

ACTION:

15. File 45-94-10. [Settlement of litigation of Terry Brewer] Ordinance authorizing settlement of litigation of Terry Brewer against the City and County of San Francisco by payment of \$35,000 (United States District Court No. C93-02463 SC) (City Attorney)

ACTION:



16. File 45-94-11. [Settlement of litigation of Juan Jose Escobar] Ordinance authorizing settlement of litigation of Juan Jose Escobar against the City and County of San Francisco by payment of \$10,000 (Superior Court No. 943-150) (City Attorney)

ACTION:

17. File 46-94-3. [Settlement of Litigation, James O. Sims] Ordinance authorizing settlement of James O. Sims v. J & J Plating, et al., upon receipt of the sum of \$2,001 and dismissal of complaint. (Superior Court No. 942-494) (City Attorney)

ACTION:

18. File 46-94-4. [Settlement of litigation Norma Stone v. Mite-Locke] Ordinance authorizing settlement of Norma Stone v. Mite-Locke, et al., upon receipt of the sum of \$13,250 and release of lien. (Superior Court No. 931-936) (City Attorney)

ACTION:

19. File 48-94-2. [Settlement of Claim, Mark Defren] Ordinance authorizing settlement of Government Code Section 910 claim of Mark Defren against the City and County of San Francisco by payment of \$6,252.40 (less applicable taxes and withholding). (City Attorney)

ACTION:

Government Efficiency and Labor Committee  
S.F. Board of Supervisors  
City Hall, Room 235  
San Francisco, CA 94102

IMPORTANT HEARING NOTICE!

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CITY AND COUNTY



OF SAN FRANCISCO

## BOARD OF SUPERVISORS

BUDGET ANALYST

1390 MARKET STREET, SUITE 1025

SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

March 11, 1994

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SAN FRANCISCO  
PUBLIC LIBRARY**TO:** Government Efficiency and Labor Committee**FROM:** Budget Analyst**SUBJECT:** March 15, 1994 Government Efficiency and Labor Committee MeetingItem 1a - File 94-94-1**Note:** This item was continued by the Government Efficiency and Labor Committee at its meeting of March 1, 1994.**Department:** Public Utilities Commission (PUC)  
Municipal Railway (Muni)**Items:** Resolution authorizing the Public Utilities Commission to apply for, accept, and expend \$3,903,020 from FY 1994-95 State Transit Capital Improvement Funds, and an equal amount of local matching funds to provide financing for six Municipal Railway projects.**Amount:** \$3,903,020**Source of Funds:** State Transit Capital Improvement Funds**Comment:** The Department requests that this item be continued to the Government Efficiency and Labor Committee meeting on April 5, 1994.**Recommendation:** Continue the proposed resolution to the April 5, 1994 Government Efficiency and Labor Committee meeting, as requested by the Department.



Item 1b - File 143-94-2

**Department:** Police Department (SFPD).

**Item:** Resolution authorizing the Chief of Police to retroactively apply for, accept and expend \$90,000 in State funds for a one-year project, entitled "California Law Enforcement Officers Effectively Communicating with Handicapped Offenders."

**Grant Amount:** \$90,000.

**Grant Period:** July 1, 1994 through June 30, 1995 (one year).

**Source of Funds:** California State Council on Developmental Disabilities.

**Project:** California Law Enforcement Officers Effectively Communicating with Handicapped Offenders (CLEO-ECHO).

**Description:** The proposed State grant funding would be used by the SFPD to develop and conduct a training program for Peace and Corrections Officers (i.e. Police Officers, Sheriff's Deputies, etc.) pertaining to the handling of disabled offenders. The training program would be offered four times during the first year, resulting in 170 total Officers being trained. In addition, the Department will develop a computer-based, on-line interactive bulletin board to provide easy access to information on this subject for Officers throughout the Department.

**Budget:** To be provided.

**Required Match:** None.

**Indirect Costs:** None. (The Police Department did not include indirect costs in their grant proposal.)

**Comment:** The Police Department has requested that this item be continued to the call of the Chair in order to allow the Department additional time to provide the budget details and background information pertaining to this proposed grant.

**Recommendation:** Continue this item to the call of the Chair, as requested by the Department.



Item 1c - File 64-94-2

**Department:** Real Estate Department  
Department of Public Works (DPW)

**Item:** Resolution authorizing new lease of real property at 30 Van Ness Avenue for the Department of Public Works.

**Location:** 30 Van Ness Avenue

**Purpose of Lease:** Office space for the Bureau of Engineering, Bureau of Architecture and the Office of Financial Management Computer Services within the Department of Public Works.

**Lessor:** Herbst Foundation

**No. of Sq. Ft. and Cost/Month:** 74,600 square feet at \$1.29 per square foot per month or \$96,400 per month.

**Annual Cost:** \$1,156,800

**Utilities and Janitor Provided by Lessor:** Yes

**Term of Lease:** November 1, 1994 to October 31, 2001 (with two, five-year options to extend the lease)

**Source of Funds:** Revenue and General Obligation Bonds (i.e., 1990 and 1992 Earthquake Safety Programs Bonds, 1989 and 1991 Clean Water Bonds)

**Comment:** Due to the complexity of the proposed new lease that involves four DPW bureaus, the Budget Analyst has requested additional information from the DPW which, as of the writing of this report, has not been made available to the Budget Analyst. Therefore, the Budget Analyst recommends that this item be continued to allow time for DPW to respond to the Budget Analyst's inquiries.

**Recommendation:** Continue the proposed resolution for a new lease for the Department of Public Works.





Items 1d and 1e - Files 89-94-9 and 89-94-10

1. The proposed resolutions would authorize enrollment of classification 1366 Special Assistant VII (File 89-94-9) and classification 8488 Director, Crime Prevention (File 89-94-10) in the State Disability Insurance (SDI) Program. The cost of SDI coverage would be paid by the employee through normal payroll deductions. The proposed legislation would not involve significant cost to the City as the Controller's payroll/personnel system is programmed to include this deduction.

2. SDI pays disability benefits to employees who suffer a non-industrial injury or illness. SDI-eligible employees have been paying into the SDI system since July 1, 1981. Currently, the payroll deduction is 1.3 percent of the first \$31,767 of gross salary for each employee (maximum of \$412.97 annually). While SDI coverage is mandatory for all employees within bargaining units enrolled in the SDI program, it is not mandatory that employee classifications which are not represented by a bargaining unit be included in the SDI program unless a majority of employees within the classification request coverage.

3. The following classifications, which are not represented by a bargaining unit, would be authorized to enroll in the State Disability Program under the proposed resolutions:

<u>Position</u>	<u>Classification</u>	<u>Number of Employees</u>	<u>Number of Employees Requesting Coverage</u>
Special Assistant VII	1366	9	5
Director, Crime Prevention	8488	1	1

4. As shown in the above table, the Employee Relations Division (ERD) reports that it has received petitions requesting coverage signed by the majority of employees in each of the above-mentioned classifications.

5. The nine employees in the 1366 Special Assistant VII classification are in the Department of Public Works, the Public Library, the Department of Electricity and Telecommunications and the Mayor's Office. The one employee in the 8488 Director, Crime Prevention classification is in the Police Department.

**Recommendation**

Approve the proposed resolutions.



Item 1f File 172-94-8

**Departments:** Real Estate Department  
Police Department

**Item:** Resolution authorizing the Director of Property to enter into a license agreement with the United States Postal Service to use City property at 850 Bryant Street for mail room purposes.

**Description:** The Real Estate Department advises that the United States Postal Service has requested permission to use City property in the basement of the Hall of Justice located at 850 Bryant Street, for mail room sorting and distribution purposes. According to Lieutenant Bill Davenport of the Police Department, currently two Police Officers drive to the U. S. Postal Distribution Center at 555 Harrison Street, on a daily basis, to pick up the mail for the Police Department, the Probation Department, the Municipal and Superior Courts, the County Jail offices and the District Attorney. Lieutenant Davenport advises that two Police Officers instead of one Police Officer is assigned to this task because of the volume of mail which must be transported and the fact that the mail cannot be left unattended during the trips back and forth while the mail is being loaded in the car for transporting and when the mail is unloaded at the Hall of Justice and the car is returned to its parking site. According to Lieutenant Davenport, in addition to the driving time to and from the Distribution Center, the Officers must expend time waiting in line, then take time to sign for the mail, which often takes up to 40 minutes, before it can be taken back to the Hall of Justice where it must be unloaded and taken to the Police Department's mail room where it is made available for pick-up by the various departments noted above. Lieutenant Davenport estimates that it takes approximately two and one half hours per day for the two Police Officers to complete this process. As such, Lieutenant Davenport advises that the Police Department submitted a proposal to the U. S. Postal Service to establish a mail room at the Hall of Justice, in order to (1) eliminate the Police Department having to pick up and transport the mail as well as eliminating their responsibility for overseeing the mail delivery to the above noted departments and (2) increase the efficiency of the mail process in general for these departments.

The proposed resolution would authorize the Director of Property to execute a license agreement with the U. S.. Postal Service for the use of approximately 300 square feet of

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

City property located in Room No. G-2 in the basement of the Hall of Justice. Mr. John Panieri of the Real Estate Department advises that since the proposed location of the mail room at the Hall of Justice is to benefit City departments, under the terms of the license agreement, the U. S. Postal Service would be permitted to use this space at no cost. According to Lieutenant Davenport, of the Police Department, Room No. G-2 is currently vacant space which was previously used as a storage area. The proposed license agreement would commence upon the City's approval of said agreement. The term of the agreement would be for 180 days (six months), with the option to extend for an unlimited number of additional 180 day periods, unless either party notifies the other party that it desires to terminate the license agreement. The Real Estate Department advises that this agreement was negotiated on a six month basis in order to allow both parties the flexibility to discontinue the lease agreement within a short time frame if so desired.

**Comments:**

Lieutenant Davenport advises that the proposed mail room, which would be staffed by one U. S. postal worker, would be open for mail pick-up on Mondays from 10:00 a.m. to 10:45 a.m. and on Tuesdays through Saturdays from 9:30 a.m. to 10:45 a. m. The space would be used by the U. S. postal worker for sorting mail between 6:00 a. m. and 10:00 a. m. on Mondays and 6:00 a. m. to 9:30 a.m. on Tuesdays through Saturdays.

**Recommendation:** Approve the proposed resolution.

Item 2 - File 97-93-66

**Note:** This item was continued by the Government Efficiency and Labor Committee at its meeting of March 1, 1994.

1. This item is an ordinance to amend the City's Administrative Code by adding Chapter 22C to create a Communications Regulatory Commission and repealing Sections 11.40, 11.41, 11.42, 11.43, and 11.44 concerning the Telecommunications Policy Committee.

2. In the Fall of 1992, to foster competition in the cable television industry and to ensure that cable rates are reasonable, Congress passed the Cable Television Consumer Protection and Competition Act of 1992 (Cable Act). One of the purposes of the Cable Act is to authorize the Federal Communications Commission (FCC) and local authorities to regulate basic cable television services rates, thereby establishing appropriate price benchmarks. In the Spring of 1993, the FCC released regulations detailing the implementation of the Cable Act with regard to rates and related regulatory issues. The FCC has followed these regulations with several revisions and clarifications and has stated that there will be continuing proceedings on this subject.

3. In accordance with requirements of the Cable Act, in July of 1993, the City and County of San Francisco, submitted a certification application to the FCC, and is now eligible to regulate rates, pursuant to FCC formulas, for the lowest level of cable television service, basic cable. Higher levels will be regulated by the FCC. In San Francisco, franchised cable television services are provided by Television Signal corporation dba Viacom Cable (Viacom) pursuant to a non-exclusive franchise. Viacom calls its basic cable television services Limited Cable, which includes commercial network, independent and educational broadcasters, access channels, C-SPAN, and other channels. Viacom currently charges \$13.28 per month for Limited Cable services.

Should the City choose to regulate rates, the City must regulate Viacom Cable in accordance with certain complex pre-set benchmark formulas determined by the FCC, which has established these formulas based on the cost per channel charged by competitive systems. If a cable company submits a rate schedule consistent with the FCC's benchmark formula and calculations, the City may not prescribe a rate any lower than that benchmark rate. Installation rates, equipment charges, and additional outlet fees may also be regulated by the City according to preset formulas based on Viacom's costs for providing these services.

4. The proposed ordinance would establish a local Communications Regulatory Commission (the Commission) to regulate the use of property owned by the City and County of San Francisco by communication entities by supervising the granting of permits or franchises to those entities. Such entities would include cable companies and may include telephone companies. At the present time, only Viacom would be subject to the proposed Commission's jurisdiction. In addition, in accordance with the Cable Act, the proposed Commission would regulate cable television basic service rates, equipment and customer services. As previously



stated, the FCC is responsible for regulating all other, higher level rates for cable television service.

The proposed Commission would consist of nine members, one member would be appointed by the Mayor and eight members would be appointed by the Board of Supervisors. Eight members of the proposed Commission would consist of: one licensed broadcast engineer with expertise in telecommunication; one Certified Public Accountant; one attorney; one consumer representative; one educator; one labor representative; and two members representing the public interest. The proposed ordinance does not include any requirement for specific qualifications of the ninth Commission member. Organizationally, the Commission would be under the Board of Supervisors.

5. Members of the proposed Commission would not be compensated nor would they receive reimbursement for expenses.

6. The proposed ordinance would repeal Sections 11.40 through 11.44 of the City's Administrative Code that established the Citizen's Telecommunications Policy Committee (CTPC). The CTPC was established in 1980 to consider cable television issues, to review the cable services provided by the cable television franchisee and to recommend changes in the franchise agreement. Organizationally, the CTPC is under the Board of Supervisors. The proposed Communications Regulatory Commission would effectively replace the CTPC.

7. The proposed ordinance would also establish a special fund entitled the Communications Regulatory Commission Fund which would be a depository for Purveyor Fees, or a portion of the City's Franchise Fees. In addition to establishing a special fund, the proposed ordinance would appropriate \$200,000 annually from the Franchise Fee revenues to this special fund for the purposes of paying staff and other expenses incurred by the proposed Commission. According to the proposed ordinance, the Board of Supervisors would appropriate a minimum of \$200,000 each year to the Communications Regulatory Commission Fund.

8. The proposed ordinance designates an Executive Director as a paid staff person to the Communications Regulatory Commission to serve as the liaison between the cable television operators (Viacom and any other franchisees that the City may authorize) and the various City departments, to supervise other paid staff to the Commission and to assist the proposed Commission in the performance of its duties. The proposed ordinance does not specify the number or duties of other paid staff (other than the Executive Director) to the Commission.

### **Comments**

1. In compliance with Viacom's franchise agreement with the City, Viacom pays a franchise fee of five percent of its gross receipts to the City, amounting to approximately \$3.2 million annually. 96 percent of the Franchise Fee revenue is deposited into the City's General Fund and the remaining four percent is deposited into the City's Cable Television Access and Development Fund for public, educational and municipal access activities. According to Mr. John Madden of the



Controller's Office, because 96 percent of the Franchise Fee revenue is deposited into the General Fund, appropriations of Franchise Fee revenues to the proposed Communications Regulatory Commission Fund would reduce the General Fund by a commensurate amount.

2. As previously stated, the proposed ordinance would appropriate \$200,000 from the Franchise Fee revenues to the proposed Communication Regulatory Commission Fund. According to Mr. Madden, the appropriation of \$200,000 to the proposed Communication Regulatory Commission Fund would require a separate supplemental appropriation ordinance. Such an appropriation ordinance should be drafted by the Clerk of the Board of Supervisors and submitted to the Mayor's Office for approval and to the Controller's Office for certification of the availability of funds. Thus, the proposed ordinance should be amended to delete lines 22 through 24, in Section 22c.4, subsection (b), "The Board of Supervisors hereby appropriates \$200,000 to the Communications Regulatory Commission Fund." The title of subsection (b) should also be amended to read "Sources and Uses of Monies", instead of "Source and Appropriation of Monies."

3. In addition, the Civil Service Commission should be requested to establish an Executive Director position for the proposed Commission before the Board of Supervisors appropriates monies to fund this position. A separate ordinance to amend the Annual Salary Ordinance would be necessary to create the new Executive Director position.

4. As of the writing of this report, a budget for expenditure of the \$200,000 for operating costs of the proposed Communications Regulatory Commission has not been finalized.

5. The author of the proposed ordinance requests that the proposed ordinance be continued until the April 5, 1994 Government, Efficiency and Labor Committee meeting.

### **Recommendations**

1. Continue the proposed ordinance until the April 5, 1994 Government, Efficiency and Labor Committee meeting.

2. Approval of the proposed ordinance is a policy matter for the Board of Supervisors. If the Board of Supervisors approves the proposed ordinance, amend the proposed ordinance as detailed in Comment 2, above, to delete lines 22 through 24, in Section 22c.4, subsection (b), "The Board of Supervisors hereby appropriates \$200,000 to the Communications Regulatory Commission Fund." The title of subsection (b) should also be amended to read "Sources and Uses of Monies", instead of "Source and Appropriation of Monies."



Item 3 - File 106-94-1

**Note:** This item was continued by the Government Efficiency and Labor Committee at its meeting of March 1, 1994.

**Department:** Human Resources

**Item:** Hearing to consider the Human Resources Department's (HRD) Staff Report for Salary Standardization, Fiscal Year 1994-95, dated January 28, 1994, and the Salary and Wage Survey Preliminary Booklet dated January 3, 1994, with proposed benchmark of compensation adjustments to the provisions of Charter Sections 8.400, 8.401 and 8.407.

**Description:** The Annual Salary Standardization Ordinance for FY 1994-95 for classifications subject to the provisions of Charter Sections 8.400, 8.401 and 8.407 establishes rates of compensation for classes that are not represented by employee organizations that have elected to determine wages through collective bargaining pursuant to Charter Section 8.409.

Charter Section 8.401 established the general guidelines for the Civil Service Salary Standardization procedure. This Section provides that miscellaneous employees be paid "...in accord with the generally prevailing rates of wages for like service and working conditions in private employment or in other comparable governmental organizations in this state." Section 8.407 provides a set procedure and a mathematical formula by which wages for employees covered by Section 8.401 will be set. The procedure requires that data on wages paid for comparable employment be collected from six Bay Area counties (Marin, San Francisco, San Mateo, Santa Clara, Alameda and Contra Costa), from the ten most populous cities in those counties, from other public jurisdictions in the Bay Area (including the State and Federal governments), and from the private sector. Should Civil Service staff determine that insufficient data exist, out-of-Bay Area data may be acquired, provided that the jurisdiction surveyed employs 3,000 or more persons.

The wage and salary survey is based on "benchmark" classes which are considered to be key classes within occupational groupings. There are currently 19 benchmarks. Survey data are collected for positions judged comparable to the benchmark classes in other jurisdictions and in the private sector. If the prevailing wage rate, as determined by the survey, is above the wage paid by the City, a wage increase for the affected class is warranted; if the prevailing wage is below that paid by the City, no wage increase is warranted. In general, if the wages of a benchmark class are recommended for an increase, all classes

tied to that benchmark will be recommended for a corresponding increase. Similarly, if the wages of a benchmark class are not recommended for an increase, none of the classes tied to the benchmark class will be recommended for a wage increase.

**Comments:**

1. Mr. Patrick Finney of the Department of Human Resources states that the Final Salary Recommendations Report, that is the basis of the proposed Annual Salary Standardization Ordinance for FY 1994-95, reflects surveyed salary changes for FY 1993-94 and FY 1994-95. Mr. Finney reports that the Civil Service Commission adopted the Final Salary Recommendations on March 7, 1994.

2. The number of benchmarks included in the Final Salary Recommendations Report has declined from 53 in FY 1993-94 to 19 in FY 1994-95, because salaries for many more classes are now determined by collective bargaining pursuant to Charter Section 8.09. Mr. Finney reports that the salaries of a total of approximately 5,911 employees will be determined through the annual Salary Standardization survey under Charter Section 8.401 for FY 1994-95, compared to 22,200 employees in FY 1993-94.

3. The Final Salary Recommendations Report states that FY 1993-94 salaries shown for City of San Francisco benchmark classes are the rates currently paid (not including pay equity), and are not the rates approved for FY 1993-94 by the Civil Service Commission in March, 1993. Those rates were vetoed by the Mayor.

4. Mr. John Madden, Chief Deputy Controller, states that if the proposed Annual Salary Standardization Ordinance for FY 1994-95 is adopted, the average salary increase for miscellaneous employees covered under Charter Section 8.401 would be approximately 4.8 percent, reflecting two years of benchmark increases. Mr. Madden advises that the total cost of implementing the salary increases proposed in the Annual Salary Standardization Ordinance for FY 1994-95 for employees covered under Charter Section 8.401, including salaries and fringe benefits, would be approximately \$17,280,000, of which approximately \$12,600,000 would be General Fund expenses.

6. Mr. Finney states that the HRD will submit a separate Salary Standardization Ordinance or Memorandum of Understanding (MOU) to the Board of Supervisors to cover salaries established through collective bargaining. Mr. Finney states that the HRD has not yet determined whether that item will be called a Salary Standardization Ordinance or a Memorandum of Understanding. Mr. Finney advises that that ordinance or MOU

is currently the subject of litigation, and will be sent to the Board of Supervisors as soon as possible.

7. The HRD submitted a Pay Equity Report to the Board of Supervisors and the Mayor in January, 1994. In past years, a hearing has been held regarding the Pay Equity Report concurrently with the Final Salary Recommendations Report. However, the number of classes included in the FY 1994-95 pay equity study is greatly reduced this year from prior years, because many of the classes staffed disproportionately by minorities and women are represented by the Service Employees International Union (SEIU) or the International Federation of Professional and Technical Engineers (IFPTE), which elected to determine compensation through collective bargaining. Staff of the HRD has identified only 13 classifications, with approximately 196 budgeted positions, that are disproportionately occupied by minorities and women, and are currently covered by Charter Section 8.407. Mr. Finney advises that the proposed Annual Salary Standardization Ordinance contains no pay equity adjustments. Mr. Finney further advises that, if the City decides at a later date to grant pay equity adjustments for classes covered under the proposed Annual Salary Standardization Ordinance, the proposed Ordinance would have to be amended by the Board of Supervisors.





Item 4 - File 156-94-1

**Note:** This item was continued by the Government Efficiency and Labor Committee at its meeting of March 1, 1994.

**Item:** Resolution urging the Mayor to appoint two additional members to the Private Industry Council, including one member representing a homeless advocacy organization and one member representing a veteran's organization. The Coalition on Homelessness would provide the Mayor with potential candidates for the two additional members.

**Description:** The Federal Job Training Partnership Act of 1982 (FJTPA) authorized the formation of private industry councils nationwide to distribute employment training monies. The purpose of the Private Industry Council (PIC) is to promote and foster employment opportunities for the unemployed, the underemployed and other economically disadvantaged persons. PIC is currently composed of 29 members who are appointed by the Mayor based on nominations made by the Chamber of Commerce and educational, labor and other public sector organizations. The FJTPA designates that PIC members are also to be representatives from these groups.

The proposed resolution would urge the Mayor to increase PIC's membership by two, from 29 to 31 members. One member would represent a homeless advocacy organization and the other would represent a veteran's organization. The Coalition on Homelessness would provide the Mayor with recommendations for both of the proposed new members.

**Comments:** 1. In 1985, based on the California Attorney General's opinion, the City Attorney issued an opinion that the Mayor may not appoint to San Francisco's PIC persons from constituency groups other than those designated in the FJTPA. The City Attorney's opinion also noted that the FJTPA empowers the PIC itself to determine the number of its members.

2. According to Mr. Joe Wilson of the Coalition on Homelessness, the FJTPA does not prevent other organizations from being represented on PIC. Mr. Wilson advises that the FJTPA only identifies those organizations that should have representatives on PIC. Further, according to Mr. Wilson, the State Job Coordinating Council states that the FJTPA only requires that a majority of the PIC be members of private industry.

3. According to Mr. Randy Riddle of the City Attorney's Office, the FJTPA does prevent organizations from being represented on PIC. However, Mr. Riddle advises that if a veterans organization provides vocational rehabilitation services, then that organization could be represented on PIC under the FJTPA category Vocational Rehabilitation Agency. Similarly, if a homeless advocacy organization provides public assistance to homeless persons, such as cash assistance, then that organization could have a representative on PIC under the FJTPA category Public Assistance Agency.

4. Ms. Eunice Elton, Director of PIC, reports that PIC does not currently have an opening in either the Vocational Rehabilitation Agency or the Public Assistance Agency categories. Ms. Elton also advises that the Public Assistance Agency category was intended to include public welfare agencies. PIC's current representative under the Public Assistance category is the Director of the City's Department of Social Services.

5. Mr. Riddle also reports that the Federal Job Training Partnership Act precludes the Mayor from increasing PIC's size by two, from 29 to 31.

4. The proposed resolution would have no fiscal impact to the City.

**Recommendation:** Approval of the proposed resolution is a policy matter for the Board of Supervisors.

Item 5 File 112-93-4

**Department:** Purchasing Department

**Item:** The proposed resolution would designate the San Francisco Independent as an official newspaper of the City and County of San Francisco, commencing April 1, 1994 on an interim basis not to exceed three months, for all official advertising of the City and County, which is required by law to be published one time, but not more than three times weekly.

**Description:** Official advertising is divided into two categories: (1) Ads for Two or More Consecutive Days - official advertising which must be published on two or more consecutive days, and all official advertising which is required to be published in accordance with Section 2.200 or 2.201 of the Charter for special meetings of the Board of Supervisors and its standing or special committees and (2) Ads for Single or Non-consecutive Days - official advertising which must be published one time, other than one-time advertising related to special meetings of the Board of Supervisors and its standing and or special committees, or more than one time but not more than three times per week for a specified number of weeks.

The San Francisco Independent's contract, which is due to expire March 31, 1994, provides for all official advertising which must be published one time, other than one-time advertising related to special meetings of the Board of Supervisors and its standing or special committees, or more than one time but not more than three times per week for a specified number of weeks.

The Purchasing Department had previously selected the San Francisco Examiner as the lowest bidder to provide the official advertising services noted-above that are currently being provided by the San Francisco Independent. However, questions were raised regarding the San Francisco Examiner not delivering its newspaper to all areas of the City. As such, the 1992-93 contract with the San Francisco Independent for these services was extended for a three-month period from July 1, 1993 through September 30, 1993 in order to provide additional time to address this issue. In response to this issue, the Board of Supervisors approved an ordinance (File 97-93-46) to provide that any bidders for the City's official advertising contracts must certify in writing that newspapers will be delivered to any area in the City upon request. The Purchasing Department then extended the San Francisco Independent's contract an additional six months from

October 1, 1993 through March 30, 1994 in order to allow the Purchaser additional time to rebid these services, in accordance with the provisions of the new ordinance. The Purchasing Department conducted a bid process and received bids in February of 1994. The Government Efficiency and Labor Committee has now requested additional information in connection with this most recent bid process and the Purchasing Department's subsequent recommendation to award the contract to the San Francisco Examiner. Since additional time may be needed to conduct another bid process, the Purchasing Department is requesting approval from the Board of Supervisors to enter into an additional three-month extension of the contract with the San Francisco Independent for the provision of the above noted official advertising services for the period April 1, 1994 through June 30, 1994.

**Recommendation:** Approval of the proposed resolution is a policy matter for the Board of Supervisors.

Item 6 File 112-94-1.1

**Note:** This item was continued from the Government Efficiency and Labor Committee meeting on March 1, 1994.

**Item:** The proposed resolution would designate the San Francisco Examiner as the official newspaper of the City and County of San Francisco, commencing July 1, 1994, for all of the City's official advertising.

**Description:** Official advertising is divided into two categories: (1) Ads for Two or More Consecutive Days (Category 1) - official advertising which must be published on two or more consecutive days, and all official advertising which is required to be published in accordance with Section 2.200 or 2.201 of the Charter for special meetings of the Board of Supervisors and its standing or special committees and (2) Ads for Single or Non-consecutive Days (Category 2) - official advertising which must be published one time, other than one-time advertising related to special meetings of the Board of Supervisors and its standing and or special committees, or more than one time but not more than three times per week for a specified number of weeks.

The existing contract for Category 1 official advertising is with the San Francisco Examiner. The existing contract for Category 2 official advertising is with the San Francisco Independent.

The San Francisco Examiner's existing contract, which is due to expire on June 30, 1994, provides for all official advertising which must be published on two or more consecutive days and all official advertising which must be published in accordance with Section 2.200 or 2.201 of the Charter for special meetings of the Board of Supervisors and its standing or special committees (Category 1 as noted above). The proposed resolution would designate the San Francisco Examiner as the newspaper to provide all official advertising services for Category 1 services as well as Category 2 services noted above, which includes all official advertising which must be published one time, or other than one-time advertising related to special meetings of the Board of Supervisors and its standing and or special committees, or more than one time but not more than three times per week for a specified number of weeks.

**Comments:** 1. According to the Purchasing Department, in response to its Request for Bids issued on January 28, 1994, the Department received two bids for official advertising which must be published on two or more consecutive days (Category 1) and



four bids for official advertising which must be published for single or non-consecutive days (Category 2). Bidders were required to submit typeset samples. The Purchasing Department reports that the rate charged per line by a given newspaper, is not used as the measure for comparison of the bids submitted by newspapers because of the possible differences in the column-width and type face used by the various newspapers. According the Purchasing Department, physical differences in the column-width, character size and spacing determine how many characters can be typeset per line. According to the Purchasing Department, this potential variance in the number of characters per line makes the rate charged per line an inappropriate measure for bid comparisons and for determining the lowest cost.

The San Francisco Examiner, which submitted a bid of \$282.80 for the cost of the typeset samples, was selected by the Purchaser as the lowest reliable and responsible bidder for Category 1 and 2 official advertising services. The San Francisco Examiner has certified in writing that newspapers will be delivered to any area in the City upon request.

A comparison of the six bids is as follows:

**Bid Item - Official Advertising - (7/1/94 to 6/30/95)**

**Ads for Two or More Consecutive Days**

<u>Newspaper</u>	<u>Total Cost of Typeset Samples</u>
San Francisco Examiner	\$282.80
San Francisco Chronicle	519.14

**Ads for Single or Non-consecutive Days**

<u>Newspaper</u>	<u>Total Cost of Typeset Samples</u>
San Francisco Beacon	\$221.44*
San Francisco Examiner	282.80
San Francisco Independent	461.91
San Francisco Chronicle	519.14

\* The Purchasing Department advises that the San Francisco Beacon's bid was rejected because the company failed to (1) meet the bid requirements to publish three times a week, (2) meet the minimum circulation requirement of 50,000 copies per week and (3) meet the requirement of the submission of a verified audit report covering six months.

2. The Purchasing Department reports that the San Francisco Examiner would, for billing purposes, charge the City \$1.40

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per line Monday through Saturday. For Sundays, the San Francisco Examiner would charge the City \$3.58 per line.

3. As previously noted, the Purchasing Department currently contracts with the San Francisco Independent for the provision of Category 2 official advertising which includes advertising which must be published one time, other than one-time advertising related to special meetings of the Board of Supervisors and its standing or special committees, or more than one time, but not more than three times per week for a specified number of weeks. The Purchasing Department had previously recommended that a contract be awarded to the San Francisco Examiner to provide the official advertising services for fiscal year 1993-94 that are currently being provided by the San Francisco Independent. However, questions were raised regarding the San Examiner not delivering its newspaper to all areas of the City. As such, the FY 1992-93 contract with the San Francisco Independent for these services was extended for a three-month period from July 1, 1993 through September 30, 1993 in order to provide additional time to address this issue. In response to this issue, the Board of Supervisors approved an ordinance (File 97-93-46) to provide that any bidders for the City's official advertising contracts must certify in writing that newspapers will be delivered to any area in the City upon request. The Purchasing Department then extended the San Francisco Independent's contract an additional six months from October 1, 1993 through March 30, 1994 in order to allow the Purchaser additional time to issue a bid for these services, in accordance with the provision of that ordinance. Item 5, File 112-93-4 of this report pertains to a third extension of the contract with the San Francisco Independent in order to extend the contract with the San Francisco Independent through June 30, 1994.

4. Mr. Bill Jones of the Purchasing Department advises that the responses to the questions raised by the members of the Government Efficiency and Labor Committee at the meeting held on March 1, 1994 have not as yet been completed. Mr. Jones states that such responses will be completed within a two week period.

**Recommendation:** Approval of the proposed resolution is a policy matter for the Board of Supervisors.



Item 7 - File 225-94-1

**Item:** Hearing to consider the status of the class action lawsuit filed by Stanislaus County and others against PG&E and to further consider appropriate action by the City and County of San Francisco.

**Description:** According to the City Attorney's Office, Stanislaus County and other parties have filed a class action lawsuit against Pacific Gas and Electric Co. (PG&E) regarding the rates that have been paid in California for natural gas that is supplied by PG&E. These rates are regulated by the California Public Utilities Commission (CPUC), which regularly reviews PG&E's rates to supply natural gas to its customers. The CPUC will determine whether PG&E customers have been properly charged for natural gas based on PG&E's actual costs. The CPUC may approve the rate, or make an adjustment increasing the rate, or provide a rebate to PG&E customers.

An Administrative Law Judge who mediates the rate-setting process has determined that a rebate of approximately \$46 million should be awarded to Northern California ratepayers for the period 1988 through 1990. However, the CPUC has not yet determined the amount of the rebate which will be awarded for 1988 through 1990. In addition, the CPUC is reviewing PG&E's rates for 1991 and 1992. The CPUC has not yet received a recommendation on either of those rate years as of the present time.

The class action lawsuit filed by Stanislaus County alleges that the rebate of approximately \$46 million established by the Administrative Law Judge for the period 1988-1990 does not reflect the full extent of overcharges to PG&E customers. The lawsuit further alleges that PG&E and its subsidiaries have engaged in anti-trust violations for which PG&E should be held liable for damages.

According to the City Attorney's Office, PG&E customers in Northern California would not be required to join the lawsuit in order to benefit from any decision which could increase the rebate which is payable by PG&E to its Northern California customers for 1988 through 1990, or to share in any damages awarded by a court in the anti-trust case.

The City Attorney's Office has indicated that its representative, Mr. Tom Berliner, will be present at the March 15, 1994 meeting of the Government Efficiency and

Memo to Government Efficiency and Labor Committee  
March 15, 1994 Government Efficiency and Labor Committee Meeting

Labor Committee to review the details of the lawsuit and to answer questions concerning this matter.

Items 8, 9, 10 Files 172-94-3; 97-94-3; 97-94-4

**Department:** Department of Public Health, San Francisco General Hospital (SFGH)

**Items:** File 172-94-3 - Ordinance authorizing the Director of Public Health to execute an affiliation agreement between the City and County of San Francisco and the Regents of the University of California for the provision of patient care services at San Francisco General Hospital.

File 97-94-3 - Ordinance amending Administrative Code by repealing Section 19A.3, which authorizes and directs the Director of Public Health to designate space at San Francisco General Hospital in order that the University of California (UC) may conduct research projects. Since the use of research space at San Francisco General Hospital by UC is covered by the proposed Affiliation Agreement, this section of the Administrative Code would no longer be necessary if the Affiliation Agreement is approved.

File 97-94-4 - Ordinance amending Administrative Code by repealing Section 19A.11, which authorizes the Health Commission and the Purchaser to enter into an agreement with the University of California for the provision of medical and laboratory services at San Francisco General Hospital for the period beginning July 1, 1959 and renewable on an annual basis thereafter. Again, this section of the Administrative Code will no longer be necessary should the proposed Affiliation Agreement be approved.

- Overview:**
1. The only written Affiliation Agreement between the City and County and the University of California was approved in 1959. A proposed Affiliation Agreement was submitted to the Board of Supervisors in 1987. The Board of Supervisors did not approve that agreement.
  2. The Affiliation Agreement should be distinguished from the *UC Contract*. The purpose of the Affiliation Agreement is to establish the agreements and understandings of the parties in terms of their relationship, respective responsibilities, rights, obligations and expectations. The UC Contract is an annual budget document which is re-negotiated each year as part of the budget process. The annual UC Contract establishes the amount that the City will reimburse the University for purchased services.
  3. Despite that fact that this proposed Affiliation Agreement is not a budgetary document, it does set forth policies and define methodologies for future budgetary development and payment procedures.



4. Other key features of the proposed Affiliation Agreement involve the transfer of all San Francisco General Hospital Physician Specialists to the employment of the University of California. Currently, these Physician Specialists are all co-employed by the City and County of San Francisco and the University of California. This transfer of employment will affect approximately 182 individuals, who staff 66.5 full time equivalent Physician Specialist positions. These individuals would become employees solely of the University of California beginning July 1, 1995.

Also, the Affiliation Agreement calls for the consolidation of certain leased space at San Francisco General Hospital with research space, currently provided to UC at no charge and authorized by Administrative Code Section 19A.3 (which would be repealed by approval of the proposed ordinance in File 97-94-3 - Item 9) under a master lease agreement. No additional revenue would be gained by San Francisco General Hospital as a result of this lease consolidation.

5. Although the proposed Affiliation Agreement is not a budgetary document or contract for purchased services, the Budget Analyst has included budgetary data and service descriptions as summarized in this report and detailed in Attachment 1 to this report.

**Description:** The following subsections of this report describe certain substantive issues addressed in the proposed Affiliation Agreement.

1. *Covered Services* to be provided under the proposed Affiliation Agreement which are defined in the agreement as services for which City and County makes payment including (a) patient care services rendered to unsponsored patients treated at SFGH, (b) management services, (c) supervision of Housestaff (interns and residents employed at SFGH, and (d) other services agreed upon by University and SFGH. Covered services include not only those services for which the City and County makes payment, but also those services for which the University may render professional bills, irrespective of collection. Nothing in this Agreement requires that City and County shall pay for the same service that is paid for by another payer.

The table on the following page provides a summary budget by hospital department for the 1993-94 UC Contract for services provided to SFGH.



**SUMMARY 1993-94 BUDGET FOR UC CONTRACT**

<u>Department</u>	<u>Total Full Time Equivalent Positions</u>	<u>Total 1993-94 Budget</u>
<b><u>Medicine</u></b>		
Administration- Medical Staff Office	6.00	\$ 364,004
AIDS Clinic	36.78	2,623,574
AIDS Evening Clinic	4.10	244,643
Anesthesia	19.60	2,449,400
Biomedical Engineering	12.35	799,212
Cardiology	14.30	1,347,613
Clinical Labs	164.08	12,011,522
Emergency Services	15.76	2,497,672
Pediatric Emergency	2.00	279,437
Family Community Medicine	2.83	296,366
Gastro-intestinal AIDS	6.66	484,847
Housestaff Benefits		1,030,320
Intensive Care Unit Stat Laboratory	6.10	468,114
Medical HIV Testing	4.00	236,522
Nuclear Medicine	16.05	1,998,934
Obstetrics/Gynecology	2.00	166,823
Pathology	16.50	1,151,098
Pharmacy	3.00	249,974
Pulmonary AIDS	2.50	189,864
Radiology	1.20	218,623
Rehabilitation Medicine	0.50	65,253
Respiratory Therapy	<u>31.65</u>	<u>2,041,005</u>
<b>Total- Medicine</b>	<b>367.96</b>	<b>\$31,214,820</b>
<b><u>Psychiatry</u></b>		
Psychiatric	36.70	\$3,395,658
Psych Infant Parent	<u>2.80</u>	<u>198,670</u>
<b>Total-Psychiatry</b>	<b>39.50</b>	<b>\$3,594,328</b>
<b><u>Other Expenditures</u></b>		
Physician Services to Medically Indigent		\$2,300,000
Renal Dialysis		406,000
MIA Obstetrics/Gynecology		50,000
Tertiary Care		<u>720,000</u>
<b>Total Other Expenditures</b>		<b><u>\$3,476,000</u></b>
<b>Grand Total</b>	<b>407.46</b>	<b>\$38,285,148</b>

The SFGH is currently addressing a projected 1993-94 revenue shortfall of \$20.4 million through a variety of expenditure reductions and revenue enhancements. As part of this effort, the 1993-94 UC Contract is scheduled to reduce actual expenditures by approximately \$800,000 to \$1.0 million. This reduction is not expected to result in reduced UC Contract services as savings have been realized in actual expenditures.

Attachment 1 to this report provides a detailed breakdown of each UC budget unit, including expenditures by object, position detail and descriptions of services provided. As shown in the table on the previous page, the total 1993-94 UC contract budget is \$38,285,148.

## **2. Responsibilities of University**

Under the proposed Affiliation Agreement, the University shall be responsible for: (a) provision of Covered Services; (b) supervision of Housestaff and University Personnel; (c) compliance with the terms of this Agreement; and (d) personnel responsibilities.

In general, the University shall provide a sufficient number of University Personnel and Housestaff (University interns and residents serving at San Francisco General) in order to render patient care which meets the clinical services negotiated and approved in the Contract Budget for any given fiscal year.

### **Housestaff and Medical Students**

The University shall be solely responsible for selecting, supervising, and training of Housestaff (interns and residents), medical students, and any other University trainees rotating through the SFGH. The City and County shall pay the salaries and reimburse the University for the cost of fringe benefits of Housestaff for the portion of their residency when they are assigned to the SFGH. The number of Housestaff for which the City and County shall pay shall be negotiated annually and shall be determined no later than July 1 for the Contract Year which begins the following July 1.

## **3. Responsibilities Of City and County**

The City and County, through the Director of Public Health, is responsible for the governance, administration, and operation of SFGH. This responsibility shall be exercised through the SFGH Executive Administrator as delegated by the Director; the Administrator may delegate to the University responsibility for aspects of SFGH operations, but he/she retains full authority for SFGH administration.

SFGH Budget The City and County shall develop, approve, and implement an annual budget for the SFGH, which shall include negotiation and approval of the annual Final UC Contract Budget.

4. **Joint Responsibilities UC and City and County Responsibilities**

Revenue Maximization - The Parties (defined in the agreement as the City and County of San Francisco and the University) shall jointly be responsible for maximizing Third Party Reimbursement to the extent it is within each Party's control; each Party shall require personnel under its supervision to act cooperatively to enable the other to recover all available Third Party Reimbursement.

Property Leases - Within one year of the execution of this Agreement, it is the intent of the parties that all SFGH Campus space currently occupied by the University for research purposes will be consolidated into a single master lease agreement. Presently, there are 14 Lease Agreements between the City and County and University covering 85,198 square feet of space on the SFGH Campus for research purposes. In addition, the University occupies or intends to occupy, 81,285 square feet of space on the SFGH Campus, for which it is not charged by the City and County and which is not currently subject to a lease between the City and County and University. It is intended that both the leased space, and the space presently not subject to a lease, shall be covered by the master lease agreement and that the master lease agreement be at no additional cost to either party.

Under the existing 14 lease agreements between UC and SFGH, current annual revenue of approximately \$231,000 is being paid by UC for the 85,198 square feet of space; a rental rate of approximately \$.226 per month per square foot (\$2.71 annually). Each of these leases have different expiration and rental adjustment dates. If the proposed 81,285 in research space is consolidated with the leased space at no additional rent to UC, the University would occupy a total of 166,483 square feet for the \$231,000 annual total rent payments, or approximately \$.116 per square foot per month (\$1.39 annually).

The Department of Real Estate advises that the current fair market value of SFGH leased and UC research space is \$.55 per square foot per month (\$6.60 annually). Therefore, the total fair market value for the 166,483 square feet would equal \$1,098,787 annually. The current rent payments of \$231,000 would therefore be \$867,787 less than the current fair market value.

In consideration of the less than fair market rental of space, the parties to the proposed Affiliation Agreement have agreed to recognize certain costs incurred by UC as "offsets". These include the value of malpractice coverage for UC physicians and City-employed Physician Specialists (who would be transferred to UC employment on July 1, 1994 under the proposed agreement) for services provided at SFGH, and unspecified UC administrative costs for which the University is not reimbursed. The value of these two "offsets" is estimated by SFGH to equal \$1.1 million annually (\$450,000 annually for malpractice coverage and \$650,000 annually for unreimbursed UC administration costs.)

Utilities City and County agrees that the utility rates for the fourteen (14) leases shall be reduced from \$0.62 per square foot per month to \$0.4513 per square foot effective July 1, 1994 and each of said fourteen leases is amended to set forth the new rate for the base year July 1, 1994 through June 30, 1995. This reduced utility charge, for services provided by SFGH power plant, will result in the approximate loss of \$17,500 annual in utility payments to SFGH.

Chief of Staff and Medical Staff Office.

Effective July 1, 1994, the University and the City and County of San Francisco shall provide half of the financial support for the Medical Staff Office. Each year during annual budget negotiations, the University and the City and County shall develop a mutually acceptable budget for the Medical Staff Office. This condition of the agreement was actually put into effect, for the first time, in the current 1993-94 Fiscal Year budget. The cost of this condition is currently \$364,004 annually. However, the inclusion of this budget item was negotiated and not mandated by the Affiliation Agreement.

**5. Covered Services**

Patient Care Services. - The University shall, subject to the Final Contract Budget, provide the quantity and types of medical services required to meet the medical needs of all SFGH patients, including those who may experience limited access to other providers due to financial, social, cultural, geographic, or medical reasons, or who have other special needs. The University shall provide the same quality of care to all patients, regardless of financial sponsorship or ability to pay.

Off-site Services - If the patient's attending physician determines that diagnostic and/or therapeutic services necessary for the delivery of appropriate medical care are not available at SFGH, the attending physician shall arrange for the necessary services to be



delivered elsewhere to the extent possible. This condition does not obligate the City and County, the University, or a physician to obtain services not covered or provided under the tertiary care contract or by the patient's third-party payor. (The tertiary care contract is a separate agreement for provision of critical care services not available

Management Services - The University shall provide administration and management of all clinical departments through Chiefs of Service. The Chiefs of Service shall be responsible for managing their respective Departments in compliance with all relevant professional standards, Joint Commission on Accreditation of Healthcare Organizations (JCAHO) standards, and this Agreement.

#### **6. Payment For Covered Services**

University Services Budget - Beginning in 1994, the University shall prepare and submit each year a University Services Budget three weeks before the SFGH budget is due to the Health Commission. The University Services Budget shall include the anticipated cost of providing all Covered Services for the following Contract Year and the anticipated cost of providing any supplemental services requested by City and County.

Final Contract Budget - The Final Contract Budget for Covered Services shall be approved annually, based on the University Services Budget. The approval process will involve consideration of the UC Contract Budget as part of the SFGH budget request which must be approved by the Health Commission, the Mayor and the Board of Supervisors.

Nothing in this Agreement shall specify the level of the Final Contract Budget for any Contract Year; such level is to be determined through the annual budget negotiation process, and subject to the final approval of the budget by the City and County. If the Final Contract Budget is different from the University Services Budget, the Parties (City and County and the University) will negotiate in good faith to determine the nature, level, and scope of services that will be provided within the Final Contract Budget.

Departmental Reviews. During the first two years of this Agreement, the SFGH Departments shall be reviewed by the University and the SFGH for the purpose of determining the nature, scope, and level of services provided to patients served in those Departments. In addition, the University and the SFGH shall determine the appropriate level of payment and the payment methodology for such services. Once the University and the City and County determine the appropriate level of payment and payment methodology for all Departments, the University shall

prepare the University Services Budget in accordance with that payment method.

The Departmental reviews are to permit review and analysis of payment methodologies in order to adapt the provision of University and SFGH services to health care reform and new methods of health care financing. In the future, the payments to UC may be based on actual units of service provided, rather than reimbursement of actual UC costs or, alternatively, based on capitated rates for defined patient populations. Either alternatives would be more consistent with the State of California's strategic plan for implementation of a system of managed care or expected Federal health care reform initiatives.

The proposed agreement stipulates that the changes in payment methodology will be enacted without further amendment to the Affiliation Agreement, but instead will be decided and implemented by the "President of the University or his/her designee and the Director of (Public) Health or his/her designee." Therefore, important decisions concerning payments for health care services provided at SFGH by the University will be implemented without review and formal approval by the Health Commission, the Mayor and the Board of Supervisors. The only approvals by the Health Commission, the Mayor and the Board of Supervisors will be of the annual Contract budget which will authorize expenditure amounts but not methods of payment for services.

Interim Payments. Until a Department is reviewed and the payment methodology agreed to by both Parties, payment shall be made in accordance with existing practices which reimburses UC for salaries and benefits of University employees, reimbursement for fringe benefits of Housestaff (interns and residents) and budgeted expenditures for materials and supplies and equipment.

Changes During a Budget Year - Subject to the budget and fiscal provisions of the City and County's Charter, the parties may agree at any time during a budget year that additional services may be necessary in order that SFGH may continue to provide adequate patient services here under. In addition, the parties agree that during the budget year, the scope of certain services historically provided may be reduced so that SFGH may continue to provide a range of services adequate to meet patient care needs. Should such a determination be made, City and County shall negotiate with the University in good faith for provision of such services in accordance with other provisions within this Agreement.

Budget Reductions - In the event of a reduction in the SFGH budget below the level of funding necessary to continue the services at the same scope, nature, and level as the 1993-94 budget year during



any fiscal year thereafter, the Administrator shall determine which services shall be reduced, in consultation with the Director of Health, the Associate Dean, and the medical staff, so long as this determination is consistent with the Final Contract Budget. Budget reductions will be made in either the SFGH or University budget depending upon who provides those particular services. Such reductions will be subject to the approval of the Health Commission, the Mayor and the Board of Supervisors through the annual budget process.

#### Use of University Research Funds and Professional Fee Revenues -

Under the proposed Affiliation Agreement, as is the case now, UC physicians charge professional fees for UC physician services, separate from the SFGH billings for patient services. Current estimated professional fees received by UC amount to approximately \$12 million annually including payments of \$2.3 million annually by the City and County in lieu of professional fees for UC physician services provided to medically indigent patients.

The proposed Affiliation Agreement provides that there shall be no restrictions on University's use of professional fee revenues and research funds, *except that* all such revenues must be allocated in support of activities provided on the SFGH Campus or in support of the Schools of Medicine and Dentistry.

This condition provides assurance that UC professional fee revenues and research funds will benefit activities at SFGH. The SFGH states that audits will be conducted in order to monitor the use of such funds to assure compliance with this provision of the proposed agreement. According to the Associate Dean of the University of California, this practice has been in place since professional fees were first collected by UC for physician services. Such items as medical and office equipment, licensing and continuing education costs, support staff and non-physician health care providers have been paid for by UC over and above contract related expenditures. However, approximately \$1.0 million of the professional fees are used to supplement salaries of non-contract physician specialists in order that their salaries will conform to the University's physician salary scale.

#### **8. Revenue and Billing**

Inpatient - The City and County shall interview and screen every patient for financial responsibility. SFGH eligibility staff shall pursue payment sources both at the point of admission/registration and after discharge. The City and County shall bill and collect facilities charges in compliance with hospital eligibility guidelines.

Outpatient - The City and County shall bill and collect joint professional/facility fee charges for care rendered in the outpatient clinics, unless the Administrator and Associate Dean mutually agree that the University shall bill the professional component for particular outpatient services. This condition is intended to insure that the SFGH will experience no revenue loss as a result of the transfer of City and County employed Physician Specialists to the sole employment of the University of California.

## **9. Physician Transfer**

As previously noted, the proposed Affiliation Agreement would require the transfer of all San Francisco General Hospital Physician Specialists to the employment of the University of California. Currently, these Physician Specialists are all co-employed by the City and County of San Francisco and the University of California. This transfer of employment will affect approximately 182 individuals, who staff 66.5 full time equivalent Physician Specialist positions. These individuals would become employees solely of the University of California beginning July 1, 1995.

Under the proposed terms of the transfer, the SFGH would reimburse the University for the cost of the salaries and fringe benefits of the 66.5 full time equivalent Physician Specialists, an amount of approximately \$7.3 million in the current 1993-94 SFGH budget.

The advantage of the proposed physician transfer, according to SFGH, is that all Physicians working at SFGH will be employed under the UC contract instead of the current condition of many such physicians being co-employed by UC and SFGH. This will result in administrative efficiencies since a dual personnel system for physicians will not have to be operated for Physician Specialists. The Budget Analyst concurs with the potential administrative efficiencies, and will review the SFGH 1994-95 budget for operational savings if the Affiliation Agreement and Physician Transfer are approved.

## **10. Termination**

Under the proposed Affiliation Agreement, termination by either party without cause requires notification and will be effective 24 months after June 30 of the then-current Contract Year.

For termination for cause, the Party which did not cause that event may terminate this Agreement by giving written notice stating the intention of the Party to terminate, said termination to be effective 12 months after June 30 of the then current Contract Year.

Termination for Non-Appropriation This Agreement is subject to the budget and fiscal provisions of the City and County's Charter which provides that an agreement can be terminated for non-appropriation of funds.

In the language of the proposed Affiliation Agreement, it is the University's opinion that the City and County is mandated by state law to provide or to contract for the provision of health care services for its indigent poor and that the state imposed obligation overrides any limitations contained in fiscal provisions of the Charter. The University's opinion is that the laws of the State of California, do not limit the capacity of the City and County to contract as set forth in this Agreement. The City and County's opinion is that provisions of the California Constitution, and of the Charter subject this Agreement to annual appropriations which prevent the City and County from making financial commitments for a term longer than one year except to the extent that funds are appropriated for the purpose, thereby calling into doubt the ability of the City to make any payments for services for which monies have not yet been appropriated.

The proposed agreement further states that:

The Parties agree that charges will accrue under this Agreement only after prior written authorization certified by the Controller of the City and County and that amounts of obligations of the City and County here under shall not at any time exceed the amounts certified for the purpose of this Agreement and for the term stated in this Agreement. To the extent permitted by law, the obligations of the Controller here under shall be deemed ministerial and compellable by mandate.

The proposed agreement provides that the SFGH must give UC one year's notice for reductions to the number of Housestaff and certain faculty. The University must make educational and faculty commitments to such individuals for two to five year periods. This in effect commits the City and County to expenditures of approximately \$9.0 million annually at present staffing levels, prior to appropriation of funds.

Ms. Paula Jesson, Deputy City Attorney, will be providing a written opinion to the Government Efficiency and Labor Committee concerning the termination provisions in the proposed agreement.

The City Attorney and SFGH have requested that these proposed ordinances be continued to the April 5, 1994 meeting of the Government Efficiency and Labor Committee in order that the formal City Attorney opinion can be prepared.

- Comments:**
1. As previously noted, modifications to the utility charges for University leased space would result in reduced SFGH revenue of approximately \$17,500 annually. Also, proposed requirements for the City and County to pay 50% of UC's contract administrative costs would mandate expenditures of \$364,000 when such expenditures formerly were negotiated during the budget process.
  2. The proposed agreement would permit UC and the Department of Public Health to negotiate and alter the contract payment methodology without further amending the agreement or obtaining the approval of the Health Commission, the Mayor and the Board of Supervisors. The Budget Analyst concurs with the need for the payment methodology review process that will consider alternative methods of payment for services that would conform practices to future changes in health care delivery and financing. However, such alternate methods of payment may affect either service delivery policies and practices or have an impact on City finances. Therefore, the Budget Analyst believes that such matters should be submitted to the Health Commission, the Mayor and the Board of Supervisors for approval.
  3. Provisions of the proposed Affiliation Agreement that seemingly would limit the City and County's ability to terminate the UC contract for non-appropriation of funds are contrary to the Charter and would make the UC contract unique among all contracts and leases in the City budget. Although the Budget Analyst has not received a pending City Attorney opinion on this matter, we question whether the proposed Affiliation Agreement should be approved when it would commit the City and County to contracting for services in advance of appropriation of funds for that purpose. As previously noted, the potential minimum cost of this commitment is a minimum of \$9.0 million for Housestaff salaries and some UC faculty. According to the proposed agreement, the City and County must provide UC with a minimum of 12 months notice before reducing or eliminating such services. The current 1993-94 UC contract budget is approximately \$38.3 million.
  4. As previously noted, the provision of research space to the University without charge continues a long standing practice that is now a section of the Administrative Code that will be repealed if the Affiliation Agreement is approved. However, the proposed Affiliation Agreement also requires that a master lease be constructed to incorporate the existing 14 property leases for space rented by UC and the research space that is provided at no charge. According to the proposed agreement, this master lease will result in "no cost to either party". This language of the contract would seem to inhibit the City's ability to achieve fair market rents for leased space though the lease negotiation process as lease termination dates arrive in the future.



The "offsets" (unreimbursed costs incurred by UC in consideration of the free rent for research space) are not, in the opinion of the Budget Analyst, fully substantiated. The estimated value of malpractice coverage of \$450,000 seems reasonable. However, no supporting documentation of the administrative costs absorbed by UC in connection with this contract have been provided to the Budget Analyst.

- Recommendation:**
1. In accordance with Comment Number 2 above, the Budget Analyst recommends that the proposed agreement not be approved unless future changes in contract payment methodology are subject to the approval of the Health Commission, the Mayor and the Board of Supervisors.
  2. In accordance with Comment Number 3 above, the Budget Analyst recommends that the proposed agreement not be approved unless the agreement is amended to clearly permit termination for non-appropriation of funds pursuant to the City Charter.
  3. In accordance with Comment Number 4 above, the Budget Analyst recommends that the proposed agreement not be approved unless the provision for creation of a master lease for all SFGH space occupied by UC is amended to clearly permit negotiation based on fair market rental values for that portion of space now leased by the University.
  4. Approval of certain fiscal impact provisions of the proposed Affiliation Agreement (a \$17,500 annual reduction in utility charges for leased space and a mandated sharing of UC administration costs amounting to \$368,000 annually in the current UC contract budget) are policy matters of the Board of Supervisors.
  5. At the request of the City Attorney and the SFGH, continue the proposed ordinances to the April 5, 1994 meeting of the Government Efficiency and Labor Committee.

**Department: Administration Office - Medical Staff Office**

<u>No. FTE:</u>	Academic	0.50	
	Non-Academic	<u>5.50</u>	
			6.00
<u>Expenditures:</u>	Academic Salaries	\$43,749	
	Non-Academic Salaries	184,444	
	Fringe Benefits	49,849	
	Supplies	33,462	
	Other	<u>52,500</u>	
	Total		\$364,004

UC administration and Chief of Medical Services; support staff. Performs mandated regulatory and accreditation functions for the medical staff of the Hospital.

<u>Positions:</u>	0.50 Physician
	1.00 Medical Staff Director
	0.50 Secretary III
	2.00 Credential's Assistants
	<u>2.00</u> Patient Analysis
	6.00 Total

**AIDS Clinic**

<u>No. FTE:</u>	Academic	8.78	
	Non-Academic	<u>28.00</u>	
			36.78
<u>Expenditures:</u>	Academic Salaries	\$808,443	
	Non-Academic Salaries	1,312,302	
	Fringe Benefits	389,996	
	Supplies	<u>112,833</u>	
	Total		\$2,623,574

Ward 86 primary medical care to approximately 3,000 patients with HIV. Serves approximately 30% of the HIV population in SF; specialty care for patients with AIDS.

<u>Positions:</u>	8.78 Physicians	2.10 Nurse Practitioner
	5.13 Administrative Assistants	0.40 Pharmacist
	0.35 Adm. Analyst	0.65 Pharmacist Assistant
	2.75 Hospital Assistant	0.77 Physician Assistant
	2.00 Hospital Technician	5.00 Principal Clerk
	0.75 Management Service Officer	1.50 Secretary II
	5.70 Nurse	<u>0.90</u> Social Worker
		36.78

**AIDS Evening Clinic**

<u>No. FTE:</u>	Academic	0.60	
	Non-Academic	<u>3.50</u>	
			4.10
<u>Expenditures:</u>	Academic Salaries	\$41,013	
	Non-Academic Salaries	145,480	
	Fringe Benefits	34,478	
	Supplies	<u>23,672</u>	
	Total		\$244,643

Primary care for HIV and AIDS infected individuals who are still able to work.

<u>Positions:</u>	0.60 Physician
	1.10 Hospital Assist.
	0.65 Nurse - Clinical
	0.65 Nurse Practitioner
	0.40 Physician As needed
	<u>0.70</u> Social Worker
	4.10



Department		Anesthesia	
No. FTE:	Academic	12.40	19.60
	Non-Academic	<u>7.20</u>	
Expenditures:	Academic Salaries	\$1,856,987	<div>Around the clock coverage for Trauma and Obstetrics as well as for scheduled surgery Anesthesia performs 3,000 cases annually on both in and out patients.</div>
	Non-Academic Salaries	282,167	
	Fringe Benefits	274,865	
	Supplies	<u>35,381</u>	
	Total		
Positions:	12.40 Physician		
	1.00 Adm. Assistant		
	1.00 Management Service Officer		
	<u>5.20</u> Hospital Technicians		
	19.60		

Around the clock coverage for Trauma and Obstetrics as well as for scheduled surgery. Anesthesia performs 3,000 cases annually on both in and out patients.

<u>Biomedical Engineering</u>			
<u>No. FTE:</u>	Academic	0	12.35
	Non-Academic	<u>12.35</u>	
<u>Expenditures:</u>	Academic Salaries		\$799,212
	Non-Academic Salaries	\$628,859	
	Fringe Benefits	128,122	
	Supplies	<u>42,231</u>	
	Total		
<u>Positions:</u>	1.00 Adm. Assistant		
	0.35 Adm. Analyst		
	9.00 Elect. Techn.		
	<u>2.00</u> Sr. Elec. Techns.		
	12.35		

Provides technical support to the SFGH and clinics; Laguna Honda Hospital and other DPH entities. Services include equipment repair, routine maintenance, equipment inspection and calibration, and inservice training for medical and nursing staff.

		Cardiology	
No. FTE:	Academic	2.55	14.30
	Non-Academic	11.75	
Expenditures:	Academic Salaries	\$381,549	\$1,347,613
	Non-Academic Salaries	496,259	
	Fringe Benefits	163,884	
	Supplies	305,921	
	Total		
Positions:	2.55 Physician		Invasive and non-invasive evaluation of the cardiovascular system; including echocardiography, holter monitoring, EDGs stress testing, CPKs, cardiac catheterization, pacemaker insertion, blood gases, electro physiology studies, attending coverage for the cardiac care unit and outpatient clinics.
	1.00 Adm. Analyst-Business Manager		
	2.75 Adm. Assistant		
	6.00 Hospital Techs.		
	1.00 Secretary II		
	1.00 Specialist-Cardiology		
	14.30		

Invasive and non-invasive evaluation of the cardiovascular system; including echocardiography, holter monitoring, EDGs stress testing, CPKs, cardiac catheterization, pacemaker insertion, blood gases, electro physiology studies, attending coverage for the cardiac care unit and outpatient clinics.

<u>Department</u>		<u>Clinical Labs</u>	
<u>No. FTE:</u>	Academic	4.76	164.08
	Non-Academic	<u>159.32</u>	
<u>Expenditures:</u>	Academic Salaries	\$868,499	<div>Diagnostic testing and blood transfusion services; provided to ICUs and Trauma services on a 24 hour basis. Provides services to Laguna Honda Hospital, district health centers, satellite clinics and City Jails.</div>
	Non-Academic Salaries	7,213,985	
	Fringe Benefits	1,271,532	
	Supplies	<u>2,657,506</u>	
	Total		

Diagnostic testing and blood transfusion services; provided to ICUs and Trauma services on a 24 hour basis. Provides services to Laguna Honda Hospital, district health centers, satellite clinics and City Jails.

Positions: 4.76 Physician  
0.50 Adm. Analyst  
7.00 Adm. Assistant  
2.00 Storekeeper  
3.00 Program Analyst  
1.00 Management Service Officer  
90.09 Clin Lab Techs  
55.73 Hosp. Asst.  
164.08

**Emergency Services**

No. FTE:	Academic	12.76	
	Non-Academic	3.00	
			15.76
Expenditures:	Academic Salaries	\$2,082,725	
	Non-Academic Salaries	75,127	
	Fringe Benefits	275,164	
	Supplies	54,656	
	Other	10,000	
	Total		\$2,497,672

Some physician coverage in the Emergency Department and base hospital services;

Positions: 12.76 Physician  
0.75 Sr. Clerk  
1.50 Adm. Assistant  
0.75 Management Service Office  
15.76

**Pediatric Emergency**

No. FTE:	Academic	2.00	
	Non-Academic		2.00
Expenditures:	Academic Salaries	\$248,352	
	Fringe Benefits	31,085	
	Total		\$279,437

Acute and emergency care for children in the Emergency Department and in the Children's Health Center.

Positions: 2.00 Physicians

**Family Community Medicine**

No. FTE:	Academic	2.83	
	Non-Academic		2.83
Expenditures:	Academic Salaries	\$254,897	
	Fringe Benefits	41,469	
	Total		\$296,366

Part of the attending physician coverage for outpatient services provided in the Family Health Center and Refugee Medical Clinic.

Positions: 2.83 Physicians

**Gastro-intestinal AIDS**

No. FTE:	Academic	0.68	
	Non-Academic	5.98	
			6.66
Expenditures:	Academic Salaries	\$86,556	
	Non-Academic Salaries	173,250	
	Fringe Benefits	62,255	
	Equipment	162,786	
	Total		\$484,847

Gastroenterology care for patients with AIDS.

Positions: 0.68 Physician  
1.00 Dietitian  
2.00 Nurse-Clinical  
1.00 Hospital-Tech  
1.00 Licensed Vocational Nurse  
0.50 Medical Assistant  
0.38 Adm. Assistant  
0.10 Management Service Office  
6.66

**Housestaff Benefits**

<b>No. FTE:</b>			
	Fringe Benefits	<u>\$1,030,320</u>	City's reimbursement to the University for Housestaff (Interns and Residents) while they are at SFGH.
	Total		

**Expenditures:****ICU Stat**

<b>No. FTE:</b>	Academic	0.10	
	Non-Academic	<u>6.00</u>	
			6.10
<b>Expenditures:</b>	Academic Salaries	\$25,703	
	Non-Academic Salaries	378,130	
	Fringe Benefits	59,660	
	Supplies	<u>4,621</u>	
	Total		\$468,114

Positions: 0.10 Physician  
6.00 Clin. Lab Tech.  
6.10

**Medical HIV Testing**

<b>No. FTE:</b>	Academic		
	Non-Academic	4.00	
			4.00
<b>Expenditures:</b>	Academic Salaries		
	Non-Academic Salaries	\$175,596	
	Fringe Benefits	41,239	
	Supplies	<u>19,687</u>	
	Total		\$236,522

HIV testing and infection control services (surveillance, utilization review, quality assurance, prevention and training for HIV and other infectious diseases. HIV prevention education and training.

Positions: 1.00 Programmer/Analyst  
1.00 Nurse, Clinical  
1.00 Nurse Practitioner  
1.00 Hosp. Assistant  
4.00

**Department Nuclear Medicine**

<b>No. FTE:</b>	Academic	2.60	
	Non-Academic	<u>13.45</u>	
			16.05
<b>Expenditures:</b>	Academic Salaries	\$512,816	
	Non-Academic Salaries	685,977	
	Fringe Benefits	197,931	
	Supplies	<u>602,210</u>	
	Total		\$1,998,934

Provides diagnostic and therapeutic services which analyze patient samples for minute amounts of hormones, drugs and vitamins. Includes bone scans, thyroid images, renal function, lung perfusion and heart procedures.

Positions: 2.60 Physician  
1.00 Adm. Assist.  
2.00 Clin Lab Tech

2.45 Hospital Assistant  
7.00 Nuclear Med Tech  
1.00 Staff Tech.  
16.05

Obstetrics/Gynecology

<u>No. FTE:</u>	Academic			
	Non-Academic	2.00	2.00	
<u>Expenditures:</u>	Non-Academic Salaries	\$141,386		
	Fringe Benefits	15,137		
	Other	10,300		
	Total		\$166,823	
<u>Positions:</u>	2.00 Nurse Midwife			

Provides services including family planning and is the referral site for all high risk pregnancies for the district health centers, jail and community based clinics. Contract provides midwife services.

Pathology

<u>No. FTE:</u>	Academic	2.50		
	Non-Academic	14.00	16.50	
<u>Expenditures:</u>	Academic Salaries	\$318,615		
	Non-Academic Salaries	595,393		
	Fringe Benefits	164,927		
	Supplies	72,163		
	Total		\$1,151,098	
<u>Positions:</u>	2.50 Physician			
	1.00 Prin. Clerk			
	3.00 Medical Transcribers			
	1.00 MSO			
	2.00 Cytotechnologist			
	5.00 Hosp. Lab. Tech.			
	2.00 Hosp. Assist.			
	16.50			

Surgical pathology, autopsies, electron microscopy, immunohistochemistry and cytopathology.

Department Pharmacy

<u>No. FTE:</u>	Academic			
	Non-Academic	3.00	3.00	
<u>Expenditures:</u>	Academic Salaries			
	Non-Academic Salaries	\$200,825		
	Fringe Benefits	46,673		
	Supplies	2,476		
	Total		\$249,974	
<u>Positions:</u>	2.00 Assoc. Chief, Pharm.			
	1.00 Adm. Assistant			
	3.00			

UC provides some of the staff for administration of the Pharmacy, including associate directors. UC physicians and housestaff also assist in the Pharmacy and Poison Control Center.

Pulmonary AIDS

<u>No. FTE:</u>	Academic	0.75		
	Non-Academic	1.75	2.50	
<u>Expenditures:</u>	Academic Salaries	\$88,011		
	Non-Academic Salaries	84,611		
	Fringe Benefits	17,242		
	Total		\$189,864	
<u>Positions:</u>	0.75 Physician			
	0.20 Adm. Analyst			
	1.55 Hosp. Tech.			
	2.50			

Specialty pulmonary services (pertaining to lung diseases) for patients with AIDS.

Radiology			
No. FTE:	Academic	<u>1.20</u>	1.20
	Non-Academic		
Expenditures:	Academic Salaries	\$198,310	\$218,623
	Fringe Benefits	<u>20,313</u>	
	Total		

Services include fluoroscopy, CT Scans, MRI, ultrasound and routine diagnostic coverage. The contract presently provides a small amount of current services which total approximately 150,000 tests per year.

Positions: 1.20 Physician

Rehab Medicine			
No. FTE:	Academic	<u>0.50</u>	0.50
	Non-Academic		
Expenditures:	Academic Salaries	\$57,305	\$65,253
	Non-Academic Salaries		
	Fringe Benefits	<u>7,948</u>	
	Total		

The contract provides funding for the 0.5 FTE physician director for rehab services such as physical and occupational therapy.

Positions: 0.50 Physician

Respiratory Therapy			
No. FTE:	Academic	<u>0.15</u>	31.65
	Non-Academic	<u>31.50</u>	
Expenditures:	Academic Salaries	\$32,798	\$2,041,005
	Non-Academic Salaries	1,677,294	
	Fringe Benefits	328,105	
	Supplies	<u>2,808</u>	
	Total		

Diagnostic and therapeutic services to acutely ill patients, many of whom are on ventilators, primarily to critical care patients.

Positions: 0.15 Physician  
1.00 Respiratory Therapy Director  
28.50 Registered Respiratory Therapists  
2.00 Respiratory Asst. Tech.  
31.65

Total - All Medical Units			
No. FTE:	Academic	55.66	367.96
	Non-Academic	<u>312.30</u>	
Expenditures:	Academic Salaries	\$7,906,328	\$31,214,820
	Non-Academic Salaries	14,451,085	
	Fringe Benefits	4,652,194	
	Supplies	3,969,627	
	Equipment	162,786	
	Other	<u>72,800</u>	
	Total		



Psychiatry			
<u>No. FTE:</u>	Academic	16.00	39.50
	Non-Academic	<u>23.50</u>	
<u>Expenditures:</u>	Academic Salaries	\$1,386,177	\$3,594,328
	Non-Academic Salaries	1,104,430	
	Fringe Benefits	493,050	
	Supplies	103,334	
	Other	<u>507,337</u>	
	Total		

Psychiatry: Part of the Department of Psychiatry is contracted to the University. These personnel work in conjunction with Physician Specialists and other City-funded to deliver a variety of inpatient and specialized outpatient service. Services include five inpatient units for specific target populations, the Psychiatric Emergency Service (PES) which is a 24-hour crisis intervention and evaluation service, consultation to all medical services at SFGH, the infant-parent program for infants at risk for serious emotional disorders and their families, a depression clinic funded by grants, the Citywide case management team, AIDS Health Project, and the Substance Abuse Service for methadone maintenance and detoxification.

Positions:

Psychiatry	13.00 Physician/Psychologist	Psychiatry	1.00 Physician
	2.00 Physicians-As needed	Infant Parent	<u>1.80</u> Staff Tech.
	0.75 Director		2.80
	5.60 Adm. Asst.		
	1.00 Secretary II		39.50 Total Positions
	1.00 Adm. Analyst		
	0.50 Programmer Analyst		
	1.00 Public Adm. Analyst		
	1.00 Nurse Adm.		
	1.00 Nurse Pract.		
	<u>9.85</u> Social Workers		
	36.70		

## Other Purchased Services

MIA Professional Fee	\$2,300,000	Pays for UC Physician services to medically indigent adults. Paid on a fee-for-service basis.
Tertiary Care	720,000	Covers SFGH Medi-Cal patients who receive treatment at UCSF for tertiary care procedures for which SFGH does not have the ability to provide; paid on a fee-for-service basis.
Renal Dialysis	406,000	Acute inpatient kidney dialysis services performed by UCSF staff at SFGH
Obstetrics/Gynecology	50,000	Pays for professional fees for a package of OB/Gyn services for women that don't qualify for Medi-Cal but can't afford to pay for full costs. The package is billed out on a sliding fee scale. Patients pay SFGH directly. UC receives 15% of net collection to cover physician component

**RECAP****Total - 1993-94 UC Contract**

Academic FTE	71.66
Non-Academic FTE	<u>335.80</u>
Total FTE	407.46

Total Expenditures \$38,285,148

**Board of Supervisors**  
**Budget Analyst**



Item 11 - File 27-94-2

**Department:** San Francisco International Airport

**Item:** Ordinance approving Modification No. 3 of the Lease and Use Agreement between Trans World Airlines, Inc. (TWA), and the City and County of San Francisco, acting by and through its Airports Commission.

**Description:** The existing lease with Trans World Airlines, Inc. (TWA) is for a 30-year term from July 1, 1981 to June 30, 2011.

The proposed ordinance would modify Section 203 of the Airport Lease and Use Agreement between TWA and the City which concerns the terminal area space at Boarding Area "A" in the South Terminal Building. Specifically, the proposed ordinance would modify the square footage of the lease agreement for various categories of space leased by TWA and would increase the total leased space by 6,334 square feet as follows:

South Terminal/Boarding Area "A"

	<u>Square Feet</u>		<u>Increase (Decrease)</u>
	<u>Current</u>	<u>Proposed</u>	
<u>Exclusive Use Areas</u>			
Category I	16,267	17,336	1,069
Category II	18,053	17,778	(275)
Category III	14,793	14,606	(187)
Category IV	4,124	6,674	2,550
Category V	<u>25,038</u>	<u>28,215</u>	<u>3,177</u>
Total Square Feet	78,275	84,609	6,334

The lease defines Airport space categories as follows:

Category I	Ticket Counters and Hold Rooms (waiting areas by gates)
Category II	Ticket Counter Back Offices, VIP Clubs, Baggage Claim Lobbies
Category III	Administrative and Operations Offices (basement level)
Category IV	Baggage Handling Areas

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Category V Open Aired Uncovered Space on Ramp

Exclusive Use Areas Spaces which are exclusively occupied by TWA

The proposed ordinance would also modify Section 402 of Article IV of the Agreement which describes the annual rent which TWA pays to the City. The proposed modifications of Section 402 are as follows:

	Rent Per <u>Square Foot</u>	<u>Annual Rent</u>		Increase (Decrease)
		<u>Current</u>	<u>Proposed</u>	
<u>Annual Rent</u>				
<u>Exclusive Use Areas</u>				
Category I	\$47.45	\$771,869	\$822,593	\$50,724
Category II	35.59	642,506	632,719	(9,787)
Category III	23.73	351,038	346,600	(4,438)
Category IV	11.86	48,911	79,154	30,243
Category V	4.75	<u>118,931</u>	<u>134,021</u>	<u>15,090</u>
Total		\$1,933,255	\$2,015,087	\$81,832

Comments:

1. Modification No. 3 of the Lease and Use Agreement between TWA and City and County of San Francisco was adopted on February 15, 1994, by the Airports Commission.

2. As reflected above, the proposed modification to TWA's lease would result in increased annual rental revenues of \$81,832 payable to the Airport by TWA for their lease of "exclusive use areas", retroactive to January 1, 1994.

3. According to Mr. Bob Rhoades of the Airport, the annual increased revenue of \$81,832 as described above will have no net effect on revenues to the Airport because it will be offset by \$81,832 in reduced rental revenues from other airlines presently using the terminal. These adjustments are the result of an Airport field audit that revealed that individual airlines were actually occupying more or less space than was reflected in Airport records, with the total amount of space being leased by all the airlines remaining unchanged.

4. Because the proposed lease modification would be retroactive to January 1, 1994, the proposed ordinance should be amended to authorize the Airport to enter into Modification No. 3 with TWA retroactively.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

**Recommendation:** Amend the proposed ordinance to authorize the Airport to enter into Modification No. 3 with TWA retroactively. Approve the proposed ordinance, as amended.



Item 12 - File 97-94-15

1. The proposed ordinance would amend Section 16.157 of the Administrative Code to approve the City's FY 1994-95 Health Service System plans and rates of contribution as adopted by the Health Service Board to be paid by the members of the system. The members of the system are comprised of employees, retirees, and the surviving spouses of employees and retirees of the City and County of San Francisco, the San Francisco Unified School District and the Community College District.

2. The Board of Supervisors previously adopted a resolution (File 78-93-3) setting the City's contribution to the Health Service Fund for FY 1994-95 at \$178.00 per month for each member. The City's contribution was established in accordance with Charter Sections 8.423 and 8.428, which set the average contribution rate based on a survey of the ten most populous counties in California. The City's contribution of \$178 per month (\$2,136 per year) represents an increase of \$5.15 per month, or approximately 3 percent over the FY 1993-94 rate of \$172.85 per month (\$2,074.20 per year).

3. Once the City's contribution is established, member contributions are calculated by the Health Service System actuary, Rael and Letson, Consulting Actuaries in order to ensure that contributions from all sources will be adequate to support anticipated claims for the upcoming fiscal year. The proposed ordinance would establish member contribution rates for FY 1994-95 pursuant to Charter Sections 8.421 and 8.422. Charter Sections 8.421 and 8.422 require approval by three-fourths of the members of the Board of Supervisors after the Board has secured an actuarial report of the costs and effects of any proposed change in the benefits of the Health Service System or rates of contribution. Contribution rates vary according to: (1) whether or not a member is an active employee, retired employee, or surviving spouse; (2) whether or not that individual has Medicare coverage; and (3) which of the City's five health plans that individual elects to join. The actuarial report and details of the member contribution rates are contained in the Clerk's file.

4. Five plans will be offered in the 1994-95 fiscal year. These are the same five plans offered in the 1993-94 fiscal year. The plans are:

- City Health Plan\*
- Kaiser Foundation Health Plan
- Aetna Health Plans of Northern California
- Qual-Med California
- Foundation Health Plan

\*Administered by the Health Service System.

5. The total revenue generated from employer and member contributions for the health plans in 1994-95 is estimated to be \$145.5 million. A summary of the revenue sources is as follows:

	<u>Amount</u> <u>(Millions)</u>	<u>Percent</u> <u>of Total</u> <u>Contributions</u>
City and County Contribution		
- Current Employees	\$55.1	37.9
- Retired Employees and Surviving Spouses	19.9	13.7
School District/Community College District Contribution		
- Current Employees	16.2	11.1
- Retired Employees and Surviving Spouses	<u>7.0</u>	<u>4.8</u>
Total Employer Contributions	\$98.2	67.5
Employee Contributions	<u>47.3</u>	<u>32.5</u>
Total Contributions	\$145.5	100.0

6. Of the total estimated employer contributions of \$98.2 million, approximately \$49,500,000, or approximately 50.4 percent, would be contributed from the City's General Fund. The remaining \$48,700,000 of employer contributions would be paid from the City's Special Funds (e.g., Airport, Port, Water Department and Hetch Hetchy) and from School District and Community College District revenue sources.

7. As previously noted, the increase in the employer's (City's) contributions is \$5.15 per employee per month, which was established based on a survey of average contribution rates for the ten most populous counties in California in accordance with Charter Sections 8.423 and 8.428. As shown on the following page, the cost changes to employees range from a reduction of \$32.73 per month (\$392.76 annually) to an increase of \$18.21 per month (\$218.52 annually) depending on the health plan selected.

A full comparison of the FY 1993-94 monthly rates for active and retired City employees with the proposed FY 1994-95 rates adopted by the Health Service Board and the monthly difference in costs are as follows:



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	1994-95 Monthly Rates	1993-94 Monthly Rates	Monthly Increase (Decrease)
<u>City Health Plan</u>			
Single Employee	\$17.43	\$39.40	\$(21.97)
Employee plus one dependent	181.38	214.11	(32.73)
Employee plus two dependents	286.67	307.43	(20.76)
<u>Kaiser Foundation Health Plan</u>			
Single Employee	4.00	7.00	(3.00)
Employee plus one dependent	164.82	169.36	(4.54)
Employee plus two dependents	273.60	281.14	(7.54)
<u>Aetna Health Plans of Northern California</u>			
Single Employee	10.70	12.91	(2.21)
Employee plus one dependent	190.63	184.30	6.33
Employee plus two dependents	294.05	284.41	9.64
<u>Qual-Med California</u>			
Single Employee	8.92	7.86	1.06
Employee plus one dependent	179.36	166.84	12.52
Employee plus two dependents	293.37	275.16	18.21
<u>Foundation Health Plan</u>			
Single Employee	7.28	7.82	(.54)
Employee plus one dependent	179.62	168.24	11.38
Employee plus two dependents	304.34	286.45	17.89

A description of changes to health benefits under these plans is provided in the Attachment.

8. According to Mr. Bill Irwin of the Health Service System, the Health Services Board has elected to subsidize employee rates for the City Health Plan for FY 1994-95 in order to make the plan more competitive with the HMOs offered to employees (Kaiser, Aetna, Qual-Med and Foundation) using the Health Service Trust Fund. Mr. Irwin advises that the Health Service Trust Fund consists of approximately \$22 million of accumulated excess funds of employer and employee contributions over the costs of providing the related benefits to employees. The City contribution (as described in comment 2) is set in accordance with Charter Sections 8.423 and 8.428 and is a fixed amount.

9. The total estimated cost of \$145.5 million for the various health plans for FY 1994-95 includes the employer and employee contributions and represents an average decrease of approximately 1.1 percent or \$1.6 million from the FY 1993-94 costs of \$147.1 million. The projected total premium contributions (in millions) based on current plan membership for the five health plans (assumes all current members continue to subscribe to the same health plans in 1994-95) are as follows:

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	1994-95 Projected <u>Premiums</u>	1993-94 Projected <u>Premiums</u>	Percentage Increase (Decrease)
City Health Plan	\$45.4	\$44.5	2.0
Kaiser Foundation Health Plan	57.8	62.1	(6.9)
Aetna Health Plans of Northern California	12.7	12.4	2.4
Qual-Med California	29.3	27.8	5.4
Foundation Health Plan	<u>0.3</u>	<u>0.3</u>	<u>-</u>
Total	\$145.5	\$147.1	(1.1)

10. The City is continuing to provide employer paid dental benefits to most employees for the third year. This benefit was extended as a result of the passage of Proposition B on the November, 1991 ballot and the Memorandum of Understanding entered into by the City and employee organizations. The Health Service Board has continued offering three dental plans, Delta Dental of California, DentiCare of California Inc. and Safeguard. As of February 1, 1994, a total of 19,220 employees are enrolled for the City-paid dental plans for projected 1994-95 total premiums (based on current membership), of approximately \$18.0 million, as follows:

<u>Dental Providers</u>	<u>Employee Membership</u>	<u>Projected 1994-95 Premiums*</u>
Delta Dental of California	15,266	\$16,844,703
DentiCare of California Inc.	3,146	917,162
Safeguard	<u>808</u>	<u>223,918</u>
Total	19,220	\$17,985,783

\* The 1994-95 projected premiums for DentiCare of California Inc. and Safeguard are the same as 1993-94 premiums. However, the projected 1994-95 premium of \$16,844,703 for Delta Dental of California represents an increase of \$5,633,590 or a premium increase of 50.3% from the 1993-94 premiums of \$11,211,113. According to Mr. Irwin, this premium increase is because of the existing claim experience and the fact that Delta Dental of California significantly underestimated the cost of the plan when it entered into an initial two-year contract in 1992 without any prior experience upon which to predict its rates.

11. A comparison of the FY1994-95 premium monthly rate schedules of the dental plans for employer contributions and the FY1993-94 rates are as follows:

	1994-95 Monthly <u>Rates</u>	1993-94 Monthly <u>Rates</u>	Monthly Increase (Decrease)
<u>Delta Dental Plan</u>			
Single Employee	\$46.18	\$30.65	\$15.53
Employee plus one dependent	85.18	56.54	28.64
Employee plus two dependents	136.97	90.91	46.06
<u>Denticare Dental Plan</u>			
Single Employee	\$16.25	\$16.25	\$0
Employee plus one dependent	21.95	21.95	0
Employee plus two dependents	32.50	32.50	0
<u>Safeguard Dental Plan</u>			
Single Employee	\$13.74	\$13.74	\$0
Employee plus one dependent	21.20	21.20	0
Employee plus two dependents	31.98	31.98	0

12. A choice of three dental plans that are fully paid for by retirees and active employees, who are not eligible for employer paid dental coverage, will also continue to be offered with no cost to the City. Such dental plans will have a reduced benefit design in order to reduce the premium cost for participants.

13. The 1994-95 premium monthly rates of the dental plan for employee contributions, which are unchanged from 1993-94 rates, are as follows:

	1994-95 Monthly <u>Rates</u>	1993-94 Monthly <u>Rates</u>	Monthly Increase (Decrease)
<u>Delta Dental Plan</u>			
Single Employee	\$25.75	\$25.75	\$0
Employee plus one dependent	50.16	50.16	0
Employee plus two dependents	69.10	69.10	0
<u>Denticare Dental Plan</u>			
Single Employee	\$13.15	\$13.15	\$0
Employee plus one dependent	17.55	17.55	0
Employee plus two dependents	26.33	26.33	0
<u>Safeguard Dental Plan</u>			
Single Employee	\$8.65	\$8.65	\$0
Employee plus one dependent	15.40	15.40	0
Employee plus two dependents	21.85	21.85	0

**Recommendation**

Because the proposed ordinance would result in a significant subsidy of employee rates for the City Health Plan from the Health Service Trust Fund, while not affecting employer rates which are set by the Charter, approval of the proposed ordinance is a policy matter for the Board of Supervisors.

## HEALTH PLANS

### 1994-95 BENEFIT CHANGES

#### CITY HEALTH PLAN

The following benefit changes will be made effective July 1, 1994:

- 1) Emergency Services at Non-PPO Providers
  - a. Outpatient from 70% to 90%
  - b. Inpatient from 80% to 90%
- 2) Mental Health Benefits
  - a. Inpatient Annual Maximum increased from \$5,000 to \$10,000.
  - b. Lifetime Maximum increased from \$10,000 to \$25,000.
- 3) Elimination of the annual \$250 deductible on Medicare prime lives
- 4) Physical therapy will be limited to a 60-day period per disability unless otherwise medically approved.
- 5) Lung and kidney/pancreas transplantations were added to covered transplants as of November, 1993.

#### KAISER FOUNDATION HEALTH PLAN

The Health Plan will commence a Medicare risk contract with the Federal Health Care Financing Administration (HCFA). This contract will allow Kaiser to substantially lower the cost of coverage to Medicare eligibles, and the City as an employer.

The Health Service Board has adopted a policy mandating Medicare eligibles to participate in the 'Senior Advantage' risk plan. This requirement precludes the use of their Medicare benefits outside the Kaiser delivery system except for out of area emergencies. Kaiser becomes the third of our four HMO's to enter into a risk contract with HCFA.

Other benefit changes which apply to all members are:

- . There will no longer be a requirement to replace or pay for transfused blood.
- . Dialysis benefits will be provided only within the Kaiser service area.
- . Missed Mental Health appointments will be charged \$20. Currently, missed mental health appointments count toward the limit of 20 visits per calendar year.

#### AETNA

- . Coverage for glucometers and chem-strips will be provided.
- . A mail order prescription drug benefit will be provided for maintenance drugs with a copayment charge of \$10 for a 90-day supply.

## QUALMED

- . The anticipated merger of QualMed and HealthNet will allow employees' access to the HealthNet provider network effective July 1, 1994.
- . Annual vision examinations will be provided for all members through the Plan with a \$10 copayment (currently only children under 18 receive this benefit).
- . Allergy testing and treatment including materials will be provided with a \$5 copayment. Currently, treatment and diagnosis provides for a \$10 copayment or 50% of the cost, whichever is lower and testing provides for a \$75 copayment or 50% of the cost, whichever is lower.
- . Insulin supplies will be limited to insulin, syringes, needles, and insulin pumps.
- . There will be a \$15.00 copayment for treatment at an Urgent Care Facility. The copayment for Emergency Department treatment remains at \$25.00.

## FOUNDATION

No benefit changes.

## DENTAL PLANS

### 1994-95 Benefit Changes

There are no benefit changes to any plan.



Item 13 - File 65-94-5

**Department:** Recreation and Park Department

**Item:** Resolution approving a second amendment to the agreement to furnish scoreboard and other related services, as well as new exterior signage with advertising, at Candlestick Park, providing for the installation of a new video replacement screen and other improvements to be funded through additional advertising revenue.

**Description:** The proposed resolution would approve a second amendment to the agreement between the City and County of San Francisco and the Sony Corporation of America (Sony). Under the proposed amendment, Sony would replace the existing Candlestick Park scoreboard with a new video replay screen, install video control room upgrades, and erect new signage with advertising on the exterior premises of Candlestick Park. The amendment would extend the agreement with Sony beyond the current expiration date of December 31, 1997 to March 31, 2001. The amendment would also alter the terms under which Sony compensates the City for exclusive advertising rights in Candlestick Park.

Although the proposed second amendment to the agreement has not been signed, and the financial changes included in the subject amendment have not yet been implemented, approval of the proposed subject amendment would retroactively authorize the initiation of construction work to demolish the existing scoreboard at Candlestick Park.

**Comments:** 1. Mr. Phil Arnold of the Recreation and Park Department (RPD) advises that Candlestick Park needs a new scoreboard and related technical facilities because the existing video replay screen is difficult to see clearly during the daytime. Mr. Arnold states that the management of the Giants have strongly urged the RPD to replace the video replay screen, in particular because the Giants have scheduled a major increase in the number of day games that will be played at Candlestick Park in the 1994 season, compared to previous years.

Mr. Arnold advises that, since the installation of the existing scoreboard in 1987, new technology has been developed that is capable of producing images that are twice as bright as those produced by the existing scoreboard when it was initially installed, and four times as bright as those produced by the existing scoreboard at this time.

According to Mr. Arnold, new signage with advertising on the exterior premises of Candlestick Park is also proposed under this second amendment to the agreement, in order to generate sufficient new revenues for Sony to amortize the cost of the new scoreboard and related equipment over a six year period. Mr. Arnold advises that Sony currently sells advertising located around the scoreboard, as well as on panels beneath the luxury suites facing the field. Under the proposed second amendment to the agreement, Sony would also be permitted to sell advertising on two exterior "marquees", to be located at the main entrances to the parking lot, and on three new "parking lot signs", to be located outside the stadium at the plaza entrances.

2. Mr. Arnold states that the equipment installed in 1987 was considered state-of-the-art seven years ago. Mr. Arnold states that the equipment proposed for installation under this second amendment to the agreement is considered state-of-the-art at this time. Mr. Arnold further states that Sony estimates the useful life of the new equipment to be 80,000 hours of operation. Mr. Arnold advises that, if the equipment is operated according to manufacturer's specifications, 80,000 hours of operation translates into at least ten years of useful life.

3. Mr. Arnold reports that he authorized Sony to commence demolishing the existing Candlestick Park scoreboard on February 17, 1994, without approval by the Board of Supervisors on the proposed subject second amendment to the scoreboard agreement. Mr. Arnold states that, according to Sony executives, February 17, 1994 was the latest date that work could begin in order to have the new facilities installed by the Giants' opening game, which is April 1, 1994. Mr. Arnold states that the RPD was unable to bring the proposed resolution before the Recreation and Park Commission or the Board of Supervisors in time to obtain approval prior to February 17, 1994, because the RPD was still involved in negotiations with Sony regarding this subject proposed second amendment to the scoreboard agreement. A final proposed agreement was not negotiated until February 23, 1994. Mr. Arnold further advises that the Recreation and Park Commission approved the general outlines of the proposed amendment to the scoreboard agreement in principle at their December 1993 meeting, and directed staff to complete negotiations. Mr. Arnold states that the Recreation and Park Commission will consider the proposed second amendment to the scoreboard agreement, as well as specific approval of the two marquees to be located at the parking lot entrances, at its meeting of March 17, 1994,

which is two days following this meeting of the Government Efficiency and Labor Committee.

Mr. Arnold reports that, if the proposed second amendment to the agreement is not approved, the RPD would have to order Sony to discontinue the construction project, leaving no scoreboard at Candlestick Park.

4. In 1987, the City entered into a ten year and ten months agreement (March 1, 1987 to December 31, 1997) with Sony for a new scoreboard and related equipment for Candlestick Park. The scoreboard and equipment installed by Sony at that time included a 2700 NIT Sony Jumbotron Replay Screen, two auxiliary scoreboards, various clocks with ad panels, field-level ad panels, concourse and concession signs, etc. According to Mr. Arnold, Sony financed the original equipment at a total cost of \$5 million, and owes a balance of approximately \$2.1 million to a private financing source. The reason that the cost of the then-new equipment was borne entirely by Sony is that the financial terms of the original agreement between Sony and the City permit Sony to fully amortize the cost of the equipment during the ten-year, ten-month term through advertising revenue.

Under the proposed second amendment to the agreement, Sony would install a new 5,000 NIT Jumbotron replay system, video control room upgrades, two exterior marquees, to be located at the main vehicular entry points to the stadium, and three new parking lot displays, to be located at the plaza entrances to the stadium. According to Mr. Arnold, the cost of the new equipment is approximately \$3.35 million, which would be entirely borne by Sony. At the end of the term of the agreement as amended, on March 31, 2001, (or later if the term is extended as described in Comment No. 8 below) the equipment would become the property of the City. As under the original agreement, the reason that the cost of acquisition and installation of the new equipment is to be borne entirely by Sony is that the financial terms of the proposed subject amendment would permit Sony to fully amortize the investment over a six-year period, through advertising revenue.

5. The financial benefits to the City of the agreement with Sony are a function of (1) Sony's gross advertising revenues at Candlestick Park; and (2) the formulas contained in the agreement for calculating Sony's payments to the City as compensation for the advertising rights. The proposed subject amendment would alter both factors.

Mr. Arnold reports that Sony executives project total gross advertising revenues of \$1.9 million for the 1993 season (FY 1993-94 in the City's budget). Mr. Arnold states that Sony and the RPD believe that, with the new advertising space provided in the proposed second agreement, (the two exterior marquees and the three parking lot signs), Sony will be able to increase gross annual advertising revenues. Each of the two marquees is expected to yield a minimum of \$100,000 per year in advertising revenues, and each of the three parking lot signs is expected to yield \$30,000 to \$50,000 per year in advertising revenues, for an annual yield of approximately \$290,000 to \$350,000 in new gross advertising revenues. This would increase total gross advertising revenues from a projected level of \$1.9 million in FY 1993-94, to approximately \$2.2 million (See Comments Nos. 7 and 8) to \$2.25 million per year starting in FY 1994-95. However, if the Planning Commission does not approve the two proposed marquees, (see Comment No. 11 below), the total projected annual gross advertising revenues would increase by only approximately \$90,000 to \$150,000, for a total of approximately \$2 million to \$2.05 million in annual gross advertising revenues. These projected revenue totals assume that Sony will be able to maintain the projected FY 1993-94 level of \$1.9 million in gross advertising revenues for existing advertising contracts.

6. The original agreement and the proposed second amendment to the agreement require Sony to make three types of annual payments to the City: (1) a Base Payment, intended to defray the City's cost of operating the equipment; (2) a Base Revenue Payment, intended to provide a minimum amount of compensation to the City for giving Sony the exclusive right to sell permanent advertising space and video advertising on this equipment; and (3) an overage payment, intended to provide the City with a portion of net advertising revenues.

The proposed second amendment would increase the Base Payment from \$200,000, adjusted by 3 percent annually, to \$300,000, adjusted by 3 percent annually, to reflect the City's actual operating costs. Mr. Arnold reports that the provisions of a scoreboard operating agreement between the Giants and the Recreation and Park Commission signed on April 1, 1991, limit the amount that the Giants can charge the City for scoreboard operation services to an amount not to exceed \$258,660 (the amount incurred during the 1990 baseball and football seasons), adjusted annually by the Consumer Price Index. For the 1993 season, the maximum allowable under the agreement was approximately \$282,000. Therefore, Mr.



Arnold states that the Base Payment of \$300,000 under the proposed second amendment to the agreement would fully reimburse the City for the cost of contracting with the Giants to operate the scoreboard.

Although the increase in the Base Payment would be to the advantage of the City, the subject second amendment would provide Sony with higher deductions for equipment amortization, maintenance and merchandising expenses than are currently allowed under the original agreement. Mr. Arnold states that the equipment amortization allowance is based on the actual cost of acquisition and installation of the new equipment, and that the increased merchandising expense is related to increased costs associated with selling advertising on the new marquees and parking lot signs. Mr. Arnold states that the maintenance deduction of \$150,000 is proposed because Sony executives report that actual maintenance costs were approximately \$120,000 in FY 1993-94, and are expected to increase with a new scoreboard.

Based on inquiries made by the Budget Analyst, Mr. Arnold advises us that he is revising the proposed subject amendment to limit the extent of potential revenue decreases to the City that would result from failure by Sony to obtain \$2.2 million in annual gross advertising revenue. Under such revisions, the proposed agreement would reduce the base maintenance deduction by \$25,000, from \$150,000 to \$125,000, in the event that the Planning Commission does not approve the two proposed marquees with advertising. Under such revisions, the proposed agreement also would reduce the annual deduction for merchandising expenses from the FY 1994-95 level of \$193,050, by \$20,000 for every \$100,000 in gross annual advertising revenues below \$2.2 million. The \$25,000 reduction would be adjusted based on annual adjustments in the total value of the merchandising deduction, which is tied to the cost of football suites and Giants seats.

The chart on the next page compares annual payment formulas for Sony's compensation to the City under the original agreement and the proposed second amendment to the agreement. The actual financial implications of these changes depend upon advertising revenue estimates. The projected change in revenues to the City under the proposed agreement, including the new revisions that Mr. Arnold states he is making, is summarized in Comment No. 7, following the chart on the next page.

Comparison of Annual Payment Formulas  
 for Sony Compensation to City

TYPES OF PAYMENT FROM SONY TO CITY	ORIGINAL AGREEMENT	PROPOSED SECOND AMENDMENT
Base Payment for City's Operating Costs	\$200,000 adjusted @ 3% per year; \$245,975 in May 1994	\$300,000 adjusted @ 3% per year
Base Payment without Major League Team	\$75,000 adjusted @ 3% per year; \$92,240 in May 1994	\$114,000 adjusted @ 3% per year
Base Revenue Payment (Minimum Compensation to City for Advertising)	\$10,000	\$10,000
<b>OVERAGE</b>		
Advertising Revenue	65 % of Average Gross Revenue to Date*	65% of Actual Current Year Gross Revenue
<b>DEDUCTIONS TO GROSS REVENUE IN OVERAGE FORMULA</b>		
Equipment Amortization Allowance	LESS**  \$744,025***	LESS*  \$1,118,494
Base Payment	\$245,974 in May 1994	\$300,000 in May 1994
Base Revenue Payment	\$10,000	\$10,000
Maintenance	Costs above \$65,000; in practice Sony has not made maint. deductions.	\$150,000 adjusted @ 3% per year; or \$125,000 w/o marquees
Merchandising	Actual Costs; Averaged \$69,086 1992 & 1993.	Actual Costs Not to Exceed Equivalent of 4 suites/football season & 30 MVP seats/Giants game. In 1994 = \$193,050; Reduced by \$20,000 for every \$100,000 in gross adv. revs. below \$2.2 mill.
Excess Training Costs for City Personnel	Costs of Training Replacement Operator; No Costs 1992 & 1993.	Costs of Training Replacement Operator; No Costs if Same Op.
Advertiser Replacement Costs (e.g. Commissions)	Actual Costs; No Costs 1992 & 1993.	Actual Costs; No Costs Anticipated
Fabrication of Equipment Replacement	Actual Costs; Averaged \$45,844 1992 & 1993.	Actual Costs; None Anticipated in Early Years

See footnotes to this table on next page.

**BOARD OF SUPERVISORS  
 BUDGET ANALYST**



Memo to Government Efficiency and Labor Committee  
March 15, 1993 Government Efficiency and Labor Committee Meeting

\* In the original agreement, the calculation of the overage payment involves taking 65 percent of average gross advertising revenues, less the various deductions listed. "Average gross advertising revenues" are the average of annual gross advertising revenues from the start of the agreement to and including the current year. The effect of using average gross revenues instead of actual current year revenues is that, if revenues are increasing, the overage is calculated from a lower base, resulting in a lower payment to the City. The proposed subject amendment would use actual current year gross advertising revenues, rather than average gross advertising revenues.

\*\* Note that all figures listed under overage deductions are deducted from gross revenues by Sony before the 65 percent overage payment is calculated. The lower the deduction, the higher the payment to the City.

\*\*\*Original agreement specified a \$1 million deduction, however Mr. Arnold states that this was intended to include equipment amortization, Base Payment and Base Revenue Payment. For ease of comparison between original agreement and second amendment, the amortization cost shown here is \$1 million minus the Base Payment and Base Revenue Payment. Deductions for these shown separately.

7. As discussed above, Sony officials estimate that gross annual advertising revenues will total \$1.9 million for the 1993 season. In order to compare revenues to the City under the original agreement with those under the subject second amendment to the agreement, the Budget Analyst assumes that, even in the absence of a new scoreboard or new advertising space, Sony could continue to generate at least \$1.9 million in gross advertising revenues for the 1994 season. Applying the respective payment formulas from the chart on the previous page, including revisions to the subject amendment made by Mr. Arnold, total projected 1994 season revenues to the City would be as follows:

	Gross Annual <u>Advertising Revenues</u>	Increase(Decrease) in Revenues to City under <u>Proposed Amendment</u>
Original Agreement:	\$571,475	
Second Amendment, assuming no <u>new</u> ads sold.	\$448,746	(\$122,729)
Second Amendment, assuming only parking lot display ads sold (see Comment No. 5).	\$500,746	(\$70,729)
Second Amendment, assuming all new marquee and parking lot display ads sold.	\$588,496	\$17,021

In summary, the proposed subject amendment would only result in increased annual revenues of approximately \$17,021 (\$588,496 less \$571,475) to the City if:

- The Recreation and Park Commission and the Planning Commission approve installation of the proposed two marquees with advertising space;
- Sony is able to maintain at least \$1.9 million in annual gross advertising revenues for the existing advertising around the scoreboard and on the field; and
- Sony is able to generate at least \$290,000 in new annual gross advertising revenues from advertising on the two new marquees and the three new parking lot displays, for a total of approximately \$2.2 million in gross annual advertising revenues.

8. The proposed second amendment would permit Sony to sell advertising during an extended term, if necessary, to provide Sony with average annual gross advertising revenues of at least \$2.2 million. The agreement could be extended for up to three years, through March 31, 2004. Mr. Arnold advises that the \$2.2 million represents the amount of annual gross advertising revenues that Sony and the RPD estimate would be needed to amortize the cost of the equipment during the remaining term of the agreement, which would expire on March 31, 2001.

9. Under the proposed second amendment to the agreement, the last payment due to the City for advertising revenues under the agreement would be calculated differently than the previous payments. It is estimated that Sony would complete amortization of the equipment acquisition and installation costs in the year 2000. Therefore, the \$1,118,494 amortization allowance would not be deducted from the overage payment in 2001. For the overage payment due on April 15, 2001, the City would receive the first \$1 million in gross advertising revenues from the preceding 12-month period, less excess training, advertiser replacement costs and fabrication of replacement equipment costs (see previous table). Of the remaining net advertising revenue, Sony would deduct maintenance expenses, merchandising expenses, and an amount equivalent to any interest payments made by Sony during the term of the agreement resulting from a fluctuation in the prime rate above 6 percent, but not to exceed 8.5 percent. Sony would pay the City 65 percent of the balance of net advertising revenues. Therefore, if the prime rate exceeds 6 percent during the term of the agreement, the

final payment to the City could be reduced by a maximum of \$290,371.

10. The proposed second amendment to the agreement contains a provision that would give the City the option to pay Sony the balance owed by Sony to pay for the equipment at any time during the term of the agreement. The provision specifies that if the City chooses to exercise this option, the Base Payment would be increased by \$1,118,494 (the annual amount for equipment amortization deducted from gross revenues to calculate the overage payment) during the remaining term of the agreement.

11. The Board of Supervisors approved a first amendment to the agreement with Sony, permitting the use of advertising on entry gates, seat backs and rest rooms at Candlestick Park, on December 9, 1992 (Resolution No. 1029-92). The three parking lot displays that would be installed under the proposed second amendment would each contain gate identification information, as well as two permanent advertising panels. Mr. Arnold states that installation of this permanent advertising would be considered entry gate advertising, and would not require further Planning Commission approval.

The two exterior marquees, located at the main parking lot entrances, would include programmable message signs that could, for example, list the event and provide vehicular exiting instructions. Each marquee would have four "sponsor panels" for advertising. Because marquees at the parking lot entrances were not explicitly listed in the first amendment to the agreement, the proposed second amendment states that the exterior marquees would be subject to review and approval by the Planning Commission. As noted above in Comment No. 7, if Sony is not permitted to install the proposed two marquees with advertising, projected revenues to the City would be an estimated \$70,729 less than under the original agreement.

12. Advertising surrounding the scoreboard is currently leased by the Ford, Coca Cola, Budweiser and Marlboro Corporations. Mr. Arnold states that the Recreation and Park Commission passed Resolution No. 16124 on April 15, 1993, which prohibits lease of any additional Candlestick Park advertising space to tobacco companies, and also prohibits renewal of the Marlboro lease. Mr. Arnold reports that the Marlboro lease will expire on December 31, 1997.

Mr. Arnold advises that there is currently no City policy regarding advertising of alcoholic beverages at Candlestick

Park. Mr. Arnold further advises that Budweiser is a major advertiser, and that loss of the revenues from Budweiser, if a ban on advertising of alcoholic beverages was to occur, could trigger an extension in the term of the agreement with Sony, to permit Sony to reach average annual revenues of \$2.2 million during the life of the agreement (see Comment No. 8).

Mr. Arnold states that the proposed second amendment to the agreement does not alter the right of the Recreation and Park Commission, granted in the original agreement, to review and approve the appearance and content of all permanent and video advertising in Candlestick Park. Mr. Arnold advises that the original agreement specifies that the Recreation and Park Commission shall adhere to "reasonable advertising standards" maintained in other stadia in deciding whether to accept or reject advertising in Candlestick Park.

13. Mr. Arnold advises that the RPD did not competitively bid the contract for providing the new scoreboard equipment in Candlestick Park because the equipment was needed immediately, and Sony's original agreement with the City grants Sony exclusive advertising rights in the stadium through December 31, 1997. Mr. Arnold states that, in order to award the contract to another firm, the City would have had to buy out the remaining three years of Sony's agreement, at an estimated cost of \$2.2 million.

14. Based on the original agreement, Sony has the exclusive right to sell advertising inside the stadium, including on the scoreboard, and on exterior signs on stadium premises. The second amendment recognizes an unwritten side-agreement between Sony, the RPD and the Giants, permitting two GAP Store signs on the outfield fences (located to mark the left center field gap and the right center field gap), which are specifically excluded from the agreement. Mr. Arnold advises that the GAP Store advertising revenues, which are paid by the GAP Stores to the Giants, were secured by the Giants during FY 1993-94.

Mr. Pat Gallagher, Vice President of the Giants, states that the Giants installed two removable left field bleachers at Candlestick Park prior to the 1993 season, at a cost of approximately \$834,712 for installation and retrofitting of the bleachers to make them removable. Mr. Gallagher states that this \$834,712 was part of a total \$1,543,010 investment by the Giants in 1993 in improvements to Candlestick Park. Mr. Gallagher reports that, during the portion of the year when the baseball season overlaps with the football season, the subject bleachers have to be removed for football games and re-installed for baseball games. In FY 1993-94, Mr.



Gallagher advises that the conversion costs totaled \$145,091. A letter from the Giants management providing further details on this matter is attached to this report.

Mr. Gallagher advises that the Giants solicited advertising from the GAP Stores in order to defray the annual cost of removing and re-installing the bleachers. Mr. Gallagher states that, in FY 1993-94, the Giants received approximately \$168,000 in advertising revenue from the GAP Store signs, compared to the above-mentioned \$145,091 in costs related to the left field bleachers. According to Mr. Arnold, the Giants do not pay the City any portion of the GAP advertising revenues. However, Mr. Arnold states that the Recreation and Park Commission approved the GAP signs in Resolution No. 16616 on May 16, 1991. Mr. Arnold further states that the Recreation and Park Commission heard substantial public testimony regarding the GAP Store advertising agreement in publicly noticed hearings at that time.

The agreement to permit the Giants to sell advertising to the GAP Stores, and retain 100 percent of the revenues, with no revenues accruing to the City, has never been submitted to the Board of Supervisors for approval, despite the fact that this agreement involves the disposition of revenues obtained on City property. Approval of the subject second amendment would, by excluding the GAP Stores signs from Sony's exclusive advertising rights at Candlestick Park, ratify the existing arrangement permitting the Giants to retain 100 percent of the advertising revenues from the GAP Stores signs.

Mr. Arnold advises that there is no provision in the Giants' lease with the City that details the respective responsibilities of the Giants and the City regarding maintenance and operation of the removable left field bleachers, and no provision which ties together the concept of the Giants' capital costs and operating costs of the left field bleachers with the advertising revenues payable by the GAP Stores to the Giants.

15. In summary, the proposed second amendment to the Sony Scoreboard Agreement at Candlestick Park would approve replacement of the former scoreboard and related equipment at Candlestick Park, as well as installation of new signage with advertising on the exterior premises of Candlestick Park. Approval of the proposed resolution would retroactively authorize demolition of the former scoreboard.

The scoreboard and related equipment that would be replaced under the proposed second amendment to the

agreement were originally installed seven years ago, in 1987. Sony would be permitted, without a competitive bid, to install the new equipment and extend the agreement providing Sony with exclusive advertising rights at Candlestick Park (except for two GAP Store signs) for three years and three months, to 2001.

Although Sony would bear the cost of the new equipment, the proposed subject amendment could result in reduced advertising revenues to the City from the agreement with Sony. As previously noted, Sony projects that FY 1993-94 gross annual advertising revenues will be approximately \$1.9 million. Sony estimates that advertising revenues would increase to \$2.2 million if two new marquees with advertising and three new parking lot displays with advertising are installed, as proposed in the subject amendment. If annual gross advertising revenues obtained by Sony under the subject amendment are less than \$2.2 million in any year, changes in the calculation of overage due the City from advertising revenues in the second amendment would result in reduced annual revenues to the City of up to an estimated \$122,729, from an estimated total of \$571,475 to an estimated total of \$448,746. In particular, the \$2.2 million gross annual advertising revenue target is dependent upon Recreation and Park Commission and Planning Commission approval of two new marquees with advertising, to be installed at the main entrances to the parking lot. If the marquees are not installed, approval of the proposed subject amendment would reduce projected FY 1994-95 revenues to the City from Sony by an estimated \$70,729, from \$571,475 to \$500,746. These reduced revenues are based on revisions which Mr. Arnold states he is making to the agreement as a result of inquiries made by the Budget Analyst. Otherwise, the reduced revenues to the City would be more.

Two changes recommended by the Budget Analyst to the proposed subject amendment that are being incorporated by Mr. Arnold would reduce the extent of potential revenue decreases to the City. The first reduces the base maintenance deduction from overage payments due the City from \$150,000 to \$125,000, if the Planning Commission does not approve the two marquees. The second decreases the merchandising deduction from overage payments due the City by \$20,000 for every \$100,000 of gross annual advertising revenues below \$2.2 million. The potential decreases in City revenues from the agreement would be higher than those quoted above without these changes, which Mr. Arnold states are being incorporated into the proposed subject amendment to the agreement.



The proposed subject amendment to the agreement with Sony would also ratify an unwritten agreement between the Giants, Sony and the Recreation and Park Commission, allowing the Giants to sell two field level signs to the GAP Stores and retain 100 percent of the advertising revenues paid by the GAP Stores to the Giants. This unwritten agreement has not previously been submitted to the Board of Supervisors for approval. The advertising revenues paid by the GAP Stores to the Giants were approximately \$168,000 in FY 1993-94, according to Mr. Gallagher. The City does not participate in these revenues generated on City property. The Giants management states that the revenues are used to offset the annual cost of removing and re-installing left field bleachers (\$145,091 in FY 1993-94) that were installed at the Giants' expense prior to the 1993 season. The Giants management further states that the Giants paid for the installation of the left field bleachers in 1993, at a cost of \$834,712, as part of a total \$1,540,010 investment by the Giants in improvements to Candlestick Park. A letter from the Giants management pertaining to this matter is attached to this report.

Mr. Arnold advises that there is no provision in the Giants' lease with the City that details the respective responsibilities of the Giants and the City regarding maintenance and operation of the removable left field bleachers, and no provision which ties together the concept of the Giants' capital costs and operational costs of the left field bleachers with the advertising revenues payable by the GAP Stores to the Giants.

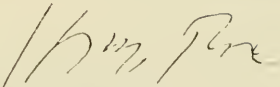
**Recommendation:** The Budget Analyst considers approval of the proposed resolution to be a policy decision for the Board of Supervisors for the following reasons:

- The proposed subject amendment to the agreement with Sony would result in lower annual advertising revenues to the City of up to an estimated \$122,729, unless Sony is able to obtain at least \$2.2 million in gross annual advertising revenues. The potential decrease in revenues to the City from the Sony agreement must be weighed against the benefits of having a currently state-of-the-art, brighter scoreboard in Candlestick Park.
- The proposed subject amendment to the agreement with Sony would permit the Giants to retain 100 percent of advertising revenues from two GAP Stores signs in Candlestick Park, with no revenues accruing to the City from the GAP signs. These revenues totaled \$168,000 in FY 1993-94, according to Mr. Gallagher. The Giants management

states that the revenues are used to offset the annual cost of removing and re-installing left field bleachers (\$145,091 in FY 1993-94). The Giants management further states that the Giants paid for installation of the left field bleachers in 1993, at a cost of \$834,712, as part of a total \$1,543,010 investment by the Giants in improvements to Candlestick Park. A letter from the Giants management pertaining to this matter is attached to this report.

Mr. Arnold advises that there is no provision in the Giants' lease with the City that details the respective responsibilities of the Giants and the City regarding maintenance and operation of the removable left field bleachers, and no provision which ties together the concept of the Giants' capital costs and operational costs of the left field bleachers with the advertising revenues payable by the GAP Stores to the Giants.

Memo to Government Efficiency and Labor Committee  
March 15, 1993 Government Efficiency and Labor Committee Meeting

  
Harvey M. Rose

cc: Supervisor Hallinan  
Supervisor Kaufman  
Supervisor Migden  
President Alioto  
Supervisor Bierman  
Supervisor Conroy  
Supervisor Hsieh  
Supervisor Kennedy  
Supervisor Leal  
Supervisor Maher  
Supervisor Shelley  
Clerk of the Board  
Chief Administrative Officer  
Controller  
Teresa Serata  
Robert Oakes  
Ted Lakey

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TO

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JOHN P. YEE  
 CHIEF FINANCIAL OFFICER  
 SAN FRANCISCO GIANTS

To: Harvey Rose  
 Budget Analyst  
 San Francisco Board of Supervisors

From: John Yee 

Date: March 11, 1994

Re: Candlestick Park Leasehold Improvements in 1993

As we discussed, I have itemized the following leasehold improvements that were paid for by the Giants in 1993. In addition, I have detailed conversion costs related to the bleachers and GAP advertising revenue that we have received related to the GAP signs in the outfield.

Giant Expenditures Related to Candlestick Park Leasehold Improvements:

Right field scoreboard	\$ 358,405	
Left field bleachers	\$ 834,712	
Clubhouse and misc stadium improvements	\$ 349,893	
Total leasehold improvements	\$1,543,010	
Conversion costs related to the left field bleachers	\$ 145,091	
Total Expenditures	<u>\$1,688,101</u>	Note 1
Revenue received related to the GAP signs in the outfield	<u>\$ 168,000</u>	

It is important to understand that we approached the Recreation and Park Commission prior to making these improvements. The GAP revenue was a part of the overall package that was negotiated and approved. If you have any questions or require any additional information about this matter, please do not hesitate to contact me at (415) 330-2455.

Note 1: Does not include costs related to operations or servicing of the new scoreboard or new bleacher section.

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